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STATE OF NEW HAMPSHIRE  
 DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 OFFICE OF HUMAN SERVICES  
**BUREAU OF HOMELESS AND HOUSING SERVICES**

Nicholas A. Toumpas  
 Commissioner

Mary Ann Cooney  
 Associate Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857  
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May 30, 2013

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

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Office of Human Services, Bureau of Homeless and Housing Services to enter into an agreement with Lakes Region Mental Health Center, Inc. d/b/a Genesis Behavioral Health, 111 Church Street Laconia, NH 03246, (Vendor #154480-B001), to provide services to homeless individuals, in an amount not to exceed \$102,038 effective July 1, 2013, or date of Governor and Council approval, whichever is later, through June 30, 2014.

Funds are anticipated to be available in the following accounts in State Fiscal Years 2014 upon the availability and continued appropriation of funds in the future operating budgets with the authority to adjust amounts within the price limitation and amend the related terms of the contract without further approval from Governor and Executive Council.

*100% Federal*

**05-95-42-423010-7927 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM**

Fiscal Year	Appropriation	Class/Object	Class Title	Amount
2014	05-95-42-423010-7927	102-500731	Contracts for program services	\$102,038

**EXPLANATION**

Pursuant to this Agreement the vendor will be providing services to support homeless individuals with disabilities and their families through the US Department of Housing and Urban Development funded Supportive Housing program.

Through the US Department of Housing and Urban Development funded Supportive Housing Program the vendor will provide a comprehensive supportive services network to provide for the unmet housing needs of individuals and will promote the ability of participants to live more independently. This service was subject to the US Department of Housing and Urban Development application and award process. Funds are administered by the Department. Funds from the Department of Housing and Urban Development Supportive Housing,

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and the Honorable Council

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Permanent Housing for the Homeless program are made available via the Continuum of Care process for communities seeking these funds.

In 1994, with input from providers throughout the country, the Department of Housing and Urban Development developed the Continuum concept to support communities in their efforts to address the problems of housing and homelessness in a coordinated, comprehensive, and strategic fashion. The Continuum serves three main purposes:

1. A strategic planning process for addressing homelessness in the community;
2. A process to engage broad-based, community-wide involvement in addressing homelessness on a year-round basis; and
3. An opportunity to submit an application to the Department of Housing and Urban Development for resources targeting housing and support services for homeless individuals and families.

The Department of Housing and Urban Development scores the application and awards funding based on their criteria. The Bureau of Homeless and Housing Services receives notification of the awards from the Department of Housing and Urban Development several months later. Although law does not mandate the Continuum, the process must be followed to access funding.

The vendor is one of eleven (11) New Hampshire agencies receiving a competitive award for renewal funding. This funding supports the Lakes Region Mental Health Center, Inc. that provides a supportive housing program for disabled individuals within its service area.

The Bureau assures contract compliance and provider performance through the following:

- 1) Annual compliance reviews are performed that include the collection of data relating to compliance with administrative rules and contractual agreements;
- 2) Statistical reports are submitted on a semi-annual basis from all funded providers, including various demographic information and income and expense reports including match dollars; and
- 3) All providers funded for shelter, transitional housing, or outreach services will be required to maintain timely and accurate data entry on the New Hampshire Homeless Management Information System, unless they are required by law to use an alternate data collection. The NH Homeless Management Information System will be the primary reporting tool for outcomes and activities of shelter and housing programs funded through these contracts.

Should Governor and Executive Council determine not to approve these requests, shelter and homeless prevention resources for people who are homeless may not be available in this community, and there will be an increase in demand for services place upon the region's local welfare authorities. Further, an ongoing project may not be able to continue, causing fourteen (14) individuals with disabilities and their families to become homeless. People who are without housing and resources will resort to seeking shelter in places that are not fit for people to live in, or will attempt to travel to shelters in other communities. This will increase the chances that people who are homeless will be in danger of injury or death, and will be cut off from basic supports for health, education and treatment. Numerous jobs would also be lost since the shelter and/or resource agency would have to close its doors or drastically reduce staff.

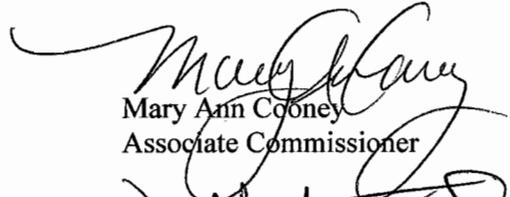
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May 30, 2013  
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Area served: Lakes Region

Source of funds: 100% Federal Funds.

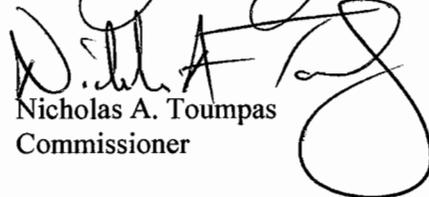
In the event that the federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,



Mary Ann Cooney  
Associate Commissioner

Approved by:



Nicholas A. Toumpas  
Commissioner

Subject: Permanent Housing

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> Department of Health and Human Services		<b>1.2 State Agency Address</b> 105 Pleasant Street Concord, NH 03301	
<b>1.3 Contractor Name</b> Lakes Region Mental Health Center, Inc. d/b/a Genesis Behavioral Health		<b>1.4 Contractor Address</b> 111 Church Street Laconia, NH 03246	
<b>1.5 Contractor Phone Number</b> (603) 524-1100	<b>1.6 Account Number</b> 05-95-42-423010-7927 102-500731	<b>1.7 Completion Date</b> June 30, 2014	<b>1.8 Price Limitation</b> \$102,038.00
<b>1.9 Contracting Officer for State Agency</b> Maureen U. Ryan, Bureau Administrator		<b>1.10 State Agency Telephone Number</b> (603) 271-9197	
<b>1.11 Contractor Signature</b> <i>Margaret M. Pritchard</i>		<b>1.12 Name and Title of Contractor Signatory</b> Margaret M. Pritchard Executive Director	
<b>1.13 Acknowledgement:</b> State of <u>NH</u> , County of <u>Belknap</u> On <u>5/29/13</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b> [Seal] <i>Linda J.B. Hagan</i>			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b> LINDA J.B. HAGAN, Notary Public My Commission Expires June 17, 2014			
<b>1.14 State Agency Signature</b> <i>Mary Ann Conroy</i>		<b>1.15 Name and Title of State Agency Signatory</b> MARY ANN CONROY Associate Commissioner	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b> By: <i>Shanne F. Henick, Attorney</i> On: <u>13 JUN. 2013</u>			
<b>1.18 Approval by the Governor and Executive Council</b> 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: mp  
Date: 5/28/13

**8. EVENT OF DEFAULT/REMEDIES.**

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

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

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

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

**9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

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

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

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

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

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

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

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

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

**14. INSURANCE.**

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

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

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

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

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

Contractor Initials: mf  
Date: 5/29/13

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

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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

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

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

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

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

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



Exhibit A

SCOPE OF SERVICES

**Supportive Housing Program**

1. Services

- 1.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) Supportive Housing Program, the Contractor shall provide a permanent housing program that shall serve fourteen (14) homeless individuals with disabilities.
- 1.2. The goal of this program is to facilitate the movement of homeless individuals to permanent housing and maximum self-sufficiency.
- 1.3. To be eligible for contract services, individuals must be homeless as defined in HUD regulations. The Contractor must obtain and retain appropriate documentation.
- 1.4. The Contractor shall provide these services according to HUD regulations as outlined in Public Law 102-550, the SHP Desk Guide, and other written HUD policies and directives.
- 1.5. Each program participant shall have an employment assessment and employment goals included in the individual service plan, as appropriate.

2. Program Reporting Requirements

- 2.1. The Contractor shall submit the following reports:
  - 2.1.1. Quarterly Progress Reports: Quarterly progress reports shall include the number of participating individuals at the end of the quarter, the number of vacancies at the end of the quarter, the number of individuals who have left the project during the quarter, the number of new individuals who entered the project during the quarter, the status of Project Activities performed, the outlook for completion of the remaining Project Activities prior to the completion Date, and the changes, if any, which need to be made in the Project or Project Activities. Quarterly reports shall be submitted to the Bureau of Homeless and Housing Services (BHHS). Quarterly reports are due no later than thirty (30) days after the conclusion of the quarter.
  - 2.1.2. Annual Progress Report: Within thirty (30) days after the Completion Date, an Annual Progress Report (APR) shall be submitted to the BHHS that summarizes the results of the Project Activities, showing in particular how the Project Activities have been performed. The Annual Progress Report shall be in the form required or specified by the State.
  - 2.1.3. Other Reports as requested by the State.
- 2.2. All programs under this contract that are emergency shelters, transitional programs or permanent programs are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Current NH HMIS policy can be accessed electronically through the following website: <http://www.nh-hmis.org>.
- 2.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by the BHHS.

3. Contract Administration

- 3.1. The Contractor shall have appropriate levels of staff attend all meetings or trainings requested by the BHHS. To the extent possible, BHHS shall notify the contractor of the need to attend such meetings five working days in advance of each meeting.
- 3.2. The Bureau Administrator of BHHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with contractor performance.
- 3.3. The Contractor shall inform BHHS of any staffing changes.



Exhibit A

- 3.4. Contract records shall be retained for a period of five (5) years following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising therefrom are resolved, whichever is later.
  - 3.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and the BHHS.
4. Financial
- 4.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Supportive Housing Program agreement value specified in Exhibit B of this agreement from the HUD Supportive Housing Program, for contract services.
    - 4.1.1. Operating expenses;
      - 4.1.1.1. Eligible operating costs include maintenance and repairs (maintenance staff, cleaning supplies, cleaning equipment, contracted services), operations staff (salaries of staff not delivering services), utilities/fuel, equipment, supplies, insurance (property, car health benefits for operational staff), food for participants, and furnishings.
      - 4.1.1.2. Ineligible costs include mortgage payments, rent, recruitment costs, staff training, depreciation, and costs associated with the organization as a whole rather than the supportive housing project.
      - 4.1.1.3. Contract funds may be used to pay for up to seventy-five percent of the actual operating costs.
    - 4.1.2. Supportive services.
      - 4.1.2.1. Eligible supportive services costs include salary and fringe benefits for direct service and supervisory staff (as proportionate to time dedicated to the project), furnishings used by direct service staff or participants, supplies used by direct service program staff or participants, transportation of participants and staff when related to direct service, office equipment and expenses (as proportionate to direct service), medical/dental care for participants, education, counseling, case management, intervention, daily living skills, parenting skills, mental health care, rent/security deposits or other housing search assistance for participants exiting the program, substance abuse treatment, vocational training, and employment assistance. Eligible services are available to those individuals actively participating in the permanent housing program.
      - 4.1.2.2. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.
      - 4.1.2.3. Contract funds may be used to pay for up to eighty percent of the actual supportive services costs.
    - 4.1.3. Administrative costs.

Administrative costs include costs associated with the accounting for the use of contract funds, preparing required reports, and obtaining program audits.
  - 4.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies.
    - 4.2.1. Match requirements are to be cash and documented with each payment request.
    - 4.2.2. Match requirements cannot be met through in-kind donations of goods and services.
  - 4.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 4.1. The Contractor must have written approval from the State prior to billing for any other expenses.
  - 4.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 583.315). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
  - 4.5. The contractor shall have any staff charged in full or part to this contract or counted as match complete weekly or bi-weekly timesheets.

New Hampshire Department of Health and Human Services  
State Grant In Aid and Supportive Housing Program  
Exhibit B



**Supportive Housing Program**

The following financial conditions apply to the scope of services as detailed in Exhibit A – Supportive Housing Program.

This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund: Not applicable  
Federal Funds:  
CFDA #: 14.235  
Federal Agency: U.S. Department of Housing & Urban Development  
Program Title: Supportive Housing Program  
Total Amount Supportive Housing Program;  
SFY14: not to exceed \$102,038.00

Funds allocation under this agreement for Supportive Housing Program;

Operating expenses: \$80,409.00  
Supportive services: \$18,308.00  
Administrative costs: \$3,321.00  
Total program amount: \$102,038.00

1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing and administration utilizing funds provided through the U.S. Department of Housing and Urban Development (HUD) Supportive Housing Program, in an amount not to exceed and for the time period specified above.

2. REPORTS.

As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

- 2.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with the regulations that implement OMB Circular A-133. Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State.
- 2.2. Where the Contractor is not subject to the requirements of OMB Circular A-133, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

3. PROJECT COSTS: PAYMENT SCHEDULE; REVIEW BY THE STATE.

- 3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in OMB Circular A-87 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of OMB Circular A-122.
- 3.2. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing and administration utilizing funds provided through the U.S. Department of Housing and Urban Development Supportive Housing Project, Permanent Housing for the Handicapped Homeless (Public Law 102-550) in an amount not to exceed as specified above. Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The

5/28/13  
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New Hampshire Department of Health and Human Services  
State Grant In Aid and Supportive Housing Program  
Exhibit B



Contractor shall provide additional financial information if requested by the State to verify expenses.

- 3.3. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Quarterly Reports, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture pursuant to 24 CFR Subsection 576.55. The funds authorized to be expended under this Agreement shall be used only for operations, supportive services, leasing and administration or reimbursement for expenditures for operations, supportive services, leasing and administration, provided by the Contractor for the project period and operating years of the Supportive Housing Program as approved by HUD and in accordance with the Supportive Housing Program Regulations, published at 24 CFR Part 583.
4. USE OF GRANT FUNDS.
  - 4.1. The State agrees to provide payment for actual costs, up to the not to exceed amount for the Supportive Housing Program as specified in this Exhibit, as defined by HUD under the provisions of P.L. 102-550 and applicable regulations.
  - 4.2. The Contractor may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval from the State.
  - 4.3. Conformance to OMB Circular A-110: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in OMB Circular A-110.
5. CONTRACTOR FINANCIAL MANAGEMENT SYSTEM.
  - 5.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
  - 5.2. The Contractor shall maintain a financial management system that complies with Attachment G of A-102, "Standards of Contractor Financial Management Systems" or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2 of this Agreement.



Exhibit C

Special 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. Add the following to Paragraph 5:

- 5.5. Upon execution of the Contract and satisfaction by the Contractor of any conditions in the Notification of Funding Approval, the State shall provide the Contractor with the funds, in accordance with EXHIBIT B of this Contract Agreement, in the amount specified in the attached Notification of Funding Approval.

- 5.6. Funds obligated under this Contract shall not be increased but may be decreased in accordance with this Contract and 24 CFR 841.400(b) and (c).

3. Add the following to Paragraph 6.1:

- 6.1. In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, country, or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights, equal opportunity and housing laws, Section 101 (g), P.L. 99-500, Title VIII of the Civil Rights Act of 1968, and Executive Order No. 11063, as implemented by the regulations at 24 CFR Part 107.

4. Add the following to Paragraph 6.:

- 6.4. The Contractor certifies as follows:

- 6.4.1. that the grant funds provided pursuant to this Contract shall be used in accordance with the requirements and provisions of this Contract, the Supportive Housing Program regulations, and the Application including the Fair Housing and Equal Opportunity Certifications and the Applicant Certifications contained in Exhibit 4 of the Application;

- 6.4.2. that the grant funds shall not be used to replace State or local assistance program funds used to assist homeless persons during the calendar year preceding the date of the Application or were designated for such use through an official action of the applicable governmental entity during the calendar year preceding the date of the Application;

- 6.4.3. that no more than five percent of the grant funds may be used for administrative expenses;

- 6.4.4. that, except as provided at 24 CFR Subsection 573.33(1)(4)(ii), the Contractor shall not:

- 6.4.4.1. conduct renovation, major rehabilitation, or conversion of any building listed on the National Register of Historic Places; located in an historic district;

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Exhibit C

- immediately adjacent to a property listed on the National Register; or deemed to be eligible for inclusion on the National Register by the State Historic Preservation Officer;
- 6.4.4.2. conduct any such activity taking place in a 100-year flood plain designated by map by the Federal Emergency Management Agency;
  - 6.4.4.3. conduct any such activity which will jeopardize the continued existence of an endangered or threatened species designated by the U.S. Department of the Interior's Fish and Wildlife Service or by the U.S. Department of Commerce's National Maritime Fisheries Service, or affecting the critical habitat of such as species; and
  - 6.4.4.4. be inconsistent with HUD's environmental standards at 24 CFR Part 51 or with the State's Coastal Zone Management Plan;
- 6.4.5. that the Contractor shall make it known that use of the facilities and services is available to all on a nondiscriminatory basis. Where the procedures that the Contractor intends to use to make known the availability of services are unlikely to reach persons of any particular race, color, religion, age, creed, sex, handicap, or national origin who may qualify for such services, the Contractor must establish additional procedures that will ensure that these persons are made aware of the facility and services;
  - 6.4.6. that the submission of applications for grants is authorized under State or local law and that the Contractor possesses legal authority to carry out the grants activities in accordance with applicable law and regulations of the U.S. Department of Housing and Urban Development;
  - 6.4.7. that the Contractor shall comply with the nondiscrimination and equal opportunity requirements of 24 CFR 841.330(a);
  - 6.4.8. that the Contractor shall comply with the National Environmental Policy Act of 1969, 42 U.S.C. 4332, implementing regulations at 24 CFR Part 50 and the Coastal Barriers Resources Act of 1982 (16 U.S.C. 3601); and
  - 6.4.9. that the Contractor shall comply with the requirements of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846) as described in 24 CFR 841.330(d).
- 5. Add the following to Paragraph 7.:
    - 7.4. It is understood and agreed by the parties hereto that in discharging its obligations under this Agreement, the Contractor shall ensure that no person (1) who is an employee, agent, consultant, officer, or elected or appointed official of the Contractor, subcontractor, or the State that receives Supportive Housing Grant amounts who exercises or has exercised any functions or responsibilities with respect to assisted activities or (2) who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for him or herself or those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.
    - 7.5. The Contractor shall not employ, engage for services, award contracts or fund any contractors or subcontractors during any period of their debarment, suspension or placement in ineligibility status as determined pursuant to 24 CFR Part 24.
  - 6. Add the following to Paragraph 8.:
    - 8.3. The State may deobligate amounts for any acquisition/rehabilitation advance or a moderate rehabilitation grant if the total costs of the acquisition/rehabilitation or moderate rehabilitation are less than the approved grant.
    - 8.4. The State may deobligate funds made available under this Contract if any proposed acquisition/rehabilitation or moderate rehabilitation activities are not begun or completed in accordance with the development schedule contained in the Application or within a reasonable time thereafter.

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New Hampshire Department of Health and Human Services  
State Grant In Aid and Supportive Housing Program



Exhibit C

- 8.5. The Contractor shall repay the full amount of any acquisition/rehabilitation advance or moderate rehabilitation grant if it fails to use the structure for supportive housing for the homeless for a ten year period following the initial occupancy with funding under this Agreement.
  - 8.6. For each full year that the Project is used for supportive housing for the homeless following the expiration of the ten year period, the amount of the acquisition/rehabilitation advance that the Contractor will be required to repay will be reduced by one-tenth of the original advance.
  - 8.7. If the Project is used for supportive housing for the homeless for twenty years following the date of initial occupancy, the Contractor will not be required to repay any portion of the acquisition/rehabilitation advance given under this Agreement.
  - 8.8. Upon the Contractor's written request, the State may determine that the Project is no longer needed as transitional housing for the homeless and may approve an alternate use of the Project for the direct benefit of lower income persons. In such event, for purposes of determining the Contractor's repayment obligations, the Project will continue to be treated as supportive housing for the homeless as long as it is used for the approved alternate purpose.
  - 8.9. If the Project is taken by eminent domain or seizure, the Contractor must repay the acquisition/rehabilitation advance or the moderate rehabilitation grant to the extent that funds are available from the eminent domain or other proceeding.
7. Add the following to Paragraph 9.:
- 9.4. Between the effective date and a date five years after the Completion Date, at any time during the Contractor's normal business hours, and as often as the State shall reasonably demand, the Contractor shall make available to the State all data for examination, duplication, publication, translation, or for any other purpose. Nothing in this Subparagraph shall require the Contractor to make available data that would violate any statute, other provisions of this Agreement, or agreements with unrelated third parties. The term "Contractor" includes all persons, natural or fictional, who are controlled by, under common ownership with, or an affiliate of, the entity identified as the Contractor in Paragraph 1.3. of the General Provisions of this Agreement.
  - 9.5. During the performance of the Project Activities and for a period of five (5) years after the Completion Date, the Contractor shall keep the following records and accounts:
    - 9.5.1. Records of Direct Work: Detailed records of all direct work performed by its personnel under this Agreement.
    - 9.5.2. Fiscal Records: Books, records, documents and other statistical data evidencing and permitting a determination to be made by the State of all Project Costs and other expenses incurred by the Contractor and all income received or collected by the Contractor during the performance of the Project Activities. The said records shall be maintained in accordance with accounting procedures and practices acceptable to the State, and which sufficiently and properly reflect all such costs and expenses, shall include, without limitation, all ledgers, books, records, and original invoices, vouchers, bills, requisitions for materials, inventories, valuations of in kind contributions, labor time cards, payrolls and other records requested or required by the State.
    - 9.5.3. Contractor and Subcontractor Records: The Contractor shall establish, maintain, and preserve and require each of its contractors and subcontractors to establish, maintain, and preserve property management, project performance, financial management and reporting documents and systems, and such other books, records, and other data pertinent to the project as the State may require. Such records shall be retained for a period of five (5) years following completion of the project and receipt of final payment by the Contractor, or until an audit is completed and all questions arising therefrom are resolved, whichever is later.
  - 9.6. Audits and Inspections: During the performance of the Project Activities and the five (5) year retention period, at any time during normal business hours and as often as the State, HUD, or the Comptroller General of the United States, together or separately, may deem necessary, the Contractor shall make available to the State, HUD, or representatives of the Comptroller General, as requested, all records pertaining to matters covered by this Agreement. The

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Exhibit C

Contractor shall permit the State, HUD, or representatives of the Comptroller General, collectively or separately, to audit, examine and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data and other invoices, materials, payrolls, records of personnel, data and other information relating to all matters covered in this Agreement.

8. 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 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.
9. Add the following to Paragraph 14:
  - 14.4. The Contractor shall obtain property, casualty or hazard insurance in an amount at least equal to the amount of any acquisition/rehabilitation advance or the moderate rehabilitation grant provided to the Contractor. The Contractor shall assure that such insurance remains in full force during the term of the commitment to provide supportive housing for the homeless.
10. Add the following to Paragraph 20:
  - 20.1. DEVELOPMENT
    - 20.1.1. The Contractor assures that it has control of the site and/or structure to be used for the Project as described in the Application and EXHIBIT A of this Contract.
    - 20.1.2. The Contractor shall keep and maintain such books, records, and other documents as required by the State as may be necessary to reflect and disclose fully the amount and disposition of grant funds, and the total cost of activities paid for, in whole or in part, with grant funds.
  - 20.2. OPERATION
    - 20.2.1. The Contractor agrees that it will facilitate the provision of necessary supportive services to the residents of the Project.
    - 20.2.2. The Contractor shall assure that the Project will be operated in accordance with the Project Sponsor Executive Officer Certifications contained in EXHIBIT 4 of the Application.
    - 20.2.3. The Contractor shall operate the Project as transitional housing for homeless persons for a ten-year period following the initial occupancy with grant funds provided pursuant to this Contract.
    - 20.2.4. In the event the Project is not operated as supportive housing for the homeless for ten years following the initial occupancy with grant funds as provided in Paragraph 1.8. above, the Contractor shall repay the full amount of the grant funds in accordance with Paragraph 8. of this Contract.



Exhibit C

- 20.2.5. The Contractor shall assure that residents in the Project will be charged rent in accordance with section 3(a) of the United States Housing Act of 1937, which requires residents to pay the highest of (1) 30 percent of the family's monthly income (adjusted in accordance with 24 CFR 841.320); (2) 10 percent of the family's monthly income; or (3) if the family is receiving payments for welfare assistance from a public agency and a part of the payments, adjusted in accordance with the family's actual housing costs, is specifically designated by the agency to meet the family's housing costs, the portion of the payments that is designated.
- 20.2.6. The Contractor shall conduct an ongoing assessment of the supportive services required by the residents in the Project.
- 20.2.7. The Contractor shall provide a residential supervisor, as specified in the Application, who will facilitate the adequate provision of supportive services to the residents of the housing throughout the term of the commitment to operate the Project as supportive housing for the homeless.
- 20.2.8. The Contractor shall provide safe and sanitary housing and shall comply with all State and local housing codes, licensing requirements and other requirements regarding the condition of the structure and the operation of the Project.
- 20.3. SUPPORTIVE HOUSING PROGRAM COVENANTS
- 20.3.1. If the structure used for supportive housing is owned or leased by the Contractor, restrictions regarding the use of the structure will be contained in a covenant, running with the land recorded in the land records of the jurisdiction in which the structure is located.
- 20.3.2. The covenant running with the land, required in Paragraph 20.3.1 above, must state that the owner and his or her successors, assigns, heirs, grantees or lessees shall, if the Project is not used as supportive housing for homeless persons for ten years following initial occupancy with contract funds, the owner, his/her successors and assigns, heirs, grantees or lessees shall be required to repay the full amount of the grant unless HUD determines that the Project is no longer needed for use as supportive housing for homeless persons and approves the use of the Project for the direct benefit of lower income persons.
- 20.3.3. The Contractor shall ensure that the covenants required by Paragraph 20.2.5 above, are recorded prior to the commencement of any acquisition or rehabilitation activity, for a Project receiving a rehabilitation advance or a moderate rehabilitation grant, or, for a Project receiving an acquisition advance, recorded immediately after the recording of the deed for the structure acquired with the acquisition advance.
- 20.4. OTHER PROGRAM REQUIREMENTS
- If a structure rehabilitated with grant funds is leased from a religious organization, the Contractor shall ensure that the lease contains the following provisions:
- 20.4.1. the leased premises will be used exclusively for secular purposes and be available to all persons regardless of religion; and
- 20.4.2. the lease payments will not exceed the fair market rent of the structure without the rehabilitation; and
- 20.4.3. the cost of improvements that benefit any portion of the structure that is not used for the provision of supportive housing for the homeless is allocated to and paid for by the religious organization, and
- 20.4.4. unless the lessee, or a successor lessee acceptable to the State, retains the use of the leased premises for a wholly secular purpose for at least the useful life of the improvements, the lessor will pay to the lessee, within a reasonable time, an amount equal to the residential value of the improvements, and
- 20.4.5. the Contractor shall comply with the policies, guidelines and requirements of OMB Circular Number A-87 and A-102 as set forth in 24 CFR Part 85, except the requirements of 24 CFR 85.24 are modified by 24 CFR 841.125 and the requirements of 24 CFR 85.31 are modified by 24 CFR 841.310 and 841.315, and
- 20.4.6. the Contractor's financial management system shall provide for audits in accordance with 24 CFR Part 44, and

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New Hampshire Department of Health and Human Services  
State Grant In Aid and Supportive Housing Program



Exhibit C

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20.4.7. the Contractor shall keep any records and make any reports that the State may require. Estimates for the cost of acquisition and/or rehabilitation or moderate rehabilitation of the Project shall be supported by documentation on file and maintained for at least three years of operation with funding under this program.



Exhibit C-1

**ADDITIONAL SPECIAL PROVISIONS**

1. Retroactive Payments – Individual Services

Notwithstanding anything to the contrary contained in this Agreement or in any other document, agreement or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for any services provided to any individual prior to the Effective Date of this Agreement 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.

2. Retroactive Payments – Contractor Services

Notwithstanding anything to the contrary contained in this Agreement or in any other document, agreement or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for any costs incurred for any purposes prior to the Effective Date of this Agreement.

3. Audit Requirement

The Contractor shall deliver to the State, at the address set forth in Section 1.2 of these General Provisions, an independent audit performed by a Certified Public Accountant, of the Contractor, including the funds received under this Agreement.

The following requirement shall apply if the Contractor is a State or Local Government: If the federal funds received under this or any other Agreement from any and all sources exceeds \$25,000 in the aggregate in a one year fiscal period the required audit shall be performed in accordance with the provisions of OMB Circular A-128, Single Audits of State and Local Governments.

4. Credits

All documents, notices, press releases, research reports, and other materials prepared during or resulting from the performance of the services or the Agreement shall include the following statement: "The preparation of this (report, document, etc.) was financed under an Agreement with the State of New Hampshire, Department of Health and Human Services, Bureau of Homeless and Housing Services, with funds provided in part or in whole by HUD."

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**NH Department of Health and Human Services**

**STANDARD EXHIBIT D**

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

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

**ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS**

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

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

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

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

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

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

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

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

Lakes Region Mental Health Center, Inc  
d/b/a Genesis Behavioral Health

From: \_\_\_\_\_ To: \_\_\_\_\_  
(Contractor Name) (Period Covered by this Certification)

Margaret M. Pritchard Executive Director  
(Name & Title of Authorized Contractor Representative)

Margaret M. Pritchard  
(Contractor Representative Signature) 5/28/13  
(Date)

NH Department of Health and Human Services

STANDARD EXHIBIT E

CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

Contract Period: \_\_\_\_\_ through \_\_\_\_\_

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.

Margaret M. Pritchard  
(Contractor Representative Signature)

Margaret M. Pritchard, Executive Director  
(Authorized Contractor Representative Name & Title)

Lakes Region Mental Health Center, Inc.  
c/b/a Genesis Behavioral Health  
(Contractor Name)

\_\_\_\_\_  
(Date)

## NH Department of Health and Human Services

## STANDARD EXHIBIT F

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

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

**INSTRUCTIONS FOR CERTIFICATION**

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

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

**PRIMARY COVERED TRANSACTIONS**

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

**LOWER TIER COVERED TRANSACTIONS**

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

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

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

Margaret M. Pritchard  
(Contractor Representative Signature)

Margaret M. Pritchard, Executive Director  
(Authorized Contractor Representative Name & Title)

Lakes Region Mental Health Center, Inc,  
d/b/a Genesis Behavioral Health  
(Contractor Name)

5/28/13  
(Date)

Contractor Initials: MP

Date: 5/28/13

NH Department of Health and Human Services

STANDARD EXHIBIT G

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

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

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

Margaret M. Pritchard  
(Contractor Representative Signature)

Margaret M. Pritchard Executive Director  
(Authorized Contractor Representative Name & Title)

Lakes Region Mental Health Center, Inc.

d/b/a Genesis Behavioral Health  
(Contractor Name)

5/20/13

(Date)

**NH Department of Health and Human Services**

**STANDARD EXHIBIT H**

**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Margaret M. Pritchard  
(Contractor Representative Signature)

Margaret M. Pritchard Executive Director  
(Authorized Contractor Representative Name & Title)

Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health  
(Contractor Name)

(Date)

## NH Department of Health and Human Services

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

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

**BUSINESS ASSOCIATE AGREEMENT**

(1) **Definitions.**

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

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

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

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

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

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

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

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

**(4) Obligations of Covered Entity**

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

(5) **Termination for Cause**

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

(6) **Miscellaneous**

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

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

NH DHHS

The State Agency Name

Wahes Region Mental Health Center, Inc  
d/b/a Genesis Behavioral Health

Name of the Contractor

Mary Ann Cooney

Signature of Authorized Representative

Margaret M Pritchard

Signature of Authorized Representative

MARY ANN COONEY

Name of Authorized Representative

Margaret M Pritchard

Name of Authorized Representative

Associate Commissioner

Title of Authorized Representative

Executive Director

Title of Authorized Representative

06/05/13

Date

5/28/13

Date

NH Department of Health and Human Services

STANDARD EXHIBIT J

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

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

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

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

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

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

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

Margaret M. Pritchard                      Margaret M. Pritchard Executive Director

(Contractor Representative Signature)                      (Authorized Contractor Representative Name & Title)

Lakes Region Mental Health Center, Inc,  
d/b/a Genesis Behavioral Health                      5/28/13

(Contractor Name)                      (Date)

Contractor initials: mp  
Date: 5/28/13  
Page # \_\_\_\_\_ of Page # \_\_\_\_\_

NH Department of Health and Human Services

STANDARD EXHIBIT J

FORM A

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

1. The DUNS number for your entity is: 101410652

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: _____

Contractor initials: cmf  
Date: 5/28/13  
Page # \_\_\_\_\_ of Page # \_\_\_\_\_

# CERTIFICATE OF VOTE

I, Cinde Warmington, do hereby certify that:

1. I am the duly elected President of The Lakes Region Mental Health Center, Inc.  
DBA Genesis Behavioral Health
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on May 28, 2013

**RESOLVED:** That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, concerning the following matter:

**To Provide: Permanent Housing for Handicapped Homeless**

**RESOLVED:** That the Executive Director hereby is authorized on behalf of this Corporation to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as (s)he may deem necessary, desirable or appropriate.

3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of May 28, 2013.
4. Margaret M. Pritchard is duly elected Executive Director of the Corporation.

(Seal)  
(Corporation)

  
(Signature of Board Secretary)

State of New Hampshire

County of Belknap

The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of May, 2013 by

By Cinde Warmington

  
Name:  
Title: Notary Public/Justice of the Peace

(Seal)  
(Notary Public)

Commission Expires:

**LINDA J.B. HAGAN, Notary Public**  
**My Commission Expires June 17, 2014**

# State of New Hampshire Department of State

## CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE LAKES REGION MENTAL HEALTH CENTER, INC is a New Hampshire nonprofit corporation formed July 14, 1969. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 24<sup>th</sup> day of April A.D. 2013

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

William M. Gardner  
Secretary of State

## **Statement regarding Insurance Expiration**

We intend to remain insured during the duration of this contract. We are in the market getting complete bids. We will have coverage bound on June 26, 2013 for the next one year term. Coverage cannot be bound until the current coverage expires. We will provide you with our new ACORD document when we bind coverage.

Client#: 525807

GENESBEH

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
4/24/2013

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

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

<b>PRODUCER</b> USI Insurance Svcs of NE, Inc. PO Box 6360 Manchester, NH 03108-6360 603 625-1100	<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): 603 625-1100		FAX (A/C, No):
	<b>E-MAIL ADDRESS:</b>		
<b>INSURED</b> Lakes Region Mental Health Center, Inc. dba Genesis Behavioral Health 111 Church Street Laconia, NH 03246	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
	<b>INSURER A: Ace American Insurance Company</b>		22667
	<b>INSURER B: AIM Mutual Insurance Company</b>		33758
	<b>INSURER C:</b>		
	<b>INSURER D:</b>		
	<b>INSURER E:</b>		
<b>INSURER F:</b>			

**COVERAGES**                      **CERTIFICATE NUMBER:**                      **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			SVRD37803601002	06/26/2012	06/26/2013	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$250,000 MED EXP (Any one person) \$25,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMPROP AGG \$3,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			CALH08618574	06/26/2012	06/26/2013	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$10000			XOOG2551654002	06/26/2012	06/26/2013	EACH OCCURRENCE \$4,000,000 AGGREGATE \$4,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			ECC4000245012012	05/28/2012	05/28/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000
A	Professional			OGLG2551662A	06/26/2012	06/26/2013	\$5,000,000 Ea. occur. \$7,000,000 Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
 This certificate covers all operations usual and customary to the Insured's business.

CERTIFICATE HOLDER

CANCELLATION

State of NH, Dept of Health & Human Services Permanent Housing for Handicapped Homeless Program 129 Pleasant Street Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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**Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate**

**CONSOLIDATING FINANCIAL STATEMENTS**

**June 30, 2012**

Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
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June 30, 2012

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**Kittell Branagan & Sargent**

*Certified Public Accountants*

Vermont License #167

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate

We have audited the accompanying consolidating statement of financial position of Lakes Region Mental Health Center, Inc. d/b/a Genesis Behavioral Health (a nonprofit organization) and its affiliate Mid State Mental Health Foundation, Inc. as of June 30, 2012, and the related consolidating statements of activities and cash flows for the year then ended. These consolidating financial statements are the responsibility of the Lakes Region Mental Health Center, Inc. d/b/a Genesis Behavioral Health (a nonprofit organization) and its affiliate Mid State Mental Health Foundation, Inc.'s management. Our responsibility is to express an opinion on these consolidating financial statements based on our audit.

We conducted our audit 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 consolidating financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidating financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidating financial statements referred to above present fairly, in all material respects, the financial position of Lakes Region Mental Health Center, Inc. d/b/a Genesis Behavioral Health and its affiliate Mid State Mental Health Foundation, Inc. as of June 30, 2012, and the respective changes in its financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2012 on our consideration of Lakes Region Mental Health Center, Inc. d/b/a Genesis Behavioral Health and Affiliate'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To the Board of Directors  
of Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
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Our audit was conducted for the purpose of forming opinions on the financial statements taken as a whole. The supplementary information on pages 11 through 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with audit standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Kittell Branagan & Synt*

St. Albans, Vermont  
August 30, 2012

Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
June 30, 2012

	<u>ASSETS</u>			
	<u>LRMH</u>	<u>Mid State Foundation</u>	<u>Consolidating Entries</u>	<u>Consolidated Total</u>
<b>CURRENT ASSETS</b>				
Cash	\$ 7,637	\$ 236,275	\$ -	\$ 243,912
Investments	334,468	569,915	-	904,383
Accounts receivable (net of \$337,000 allowance)	683,053	-	-	683,053
Prepaid expenses and other current assets	33,415	-	-	33,415
Due from affiliated organizations	806,190	-	(806,190)	-
<b>TOTAL CURRENT ASSETS</b>	<b>1,864,763</b>	<b>806,190</b>	<b>(806,190)</b>	<b>1,864,763</b>
<b>PROPERTY AND EQUIPMENT - NET</b>	<b>1,469,190</b>	<b>-</b>	<b>-</b>	<b>1,469,190</b>
<b>OTHER ASSETS</b>				
Restricted cash	47,452	-	-	47,452
<b>TOTAL ASSETS</b>	<b>\$ 3,381,405</b>	<b>\$ 806,190</b>	<b>\$ (806,190)</b>	<b>\$ 3,381,405</b>
<u>LIABILITIES AND NET ASSETS</u>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 123,148	\$ -	\$ -	\$ 123,148
Current portion--long-term debt	42,236	-	-	42,236
Due to related organization	-	806,190	(806,190)	-
Deferred income	18,025	-	-	18,025
Accrued vacation	209,970	-	-	209,970
Accrued expenses	195,101	-	-	195,101
<b>TOTAL CURRENT LIABILITIES</b>	<b>588,480</b>	<b>806,190</b>	<b>(806,190)</b>	<b>588,480</b>
<b>LONG-TERM DEBT, less current portion</b>	<b>551,209</b>	<b>-</b>	<b>-</b>	<b>551,209</b>
<b>TOTAL LIABILITIES</b>	<b>1,139,689</b>	<b>806,190</b>	<b>(806,190)</b>	<b>1,139,689</b>
<b>NET ASSETS</b>				
Temporarily restricted	52,673	-	-	52,673
Unrestricted	2,189,043	-	-	2,189,043
<b>TOTAL NET ASSETS</b>	<b>2,241,716</b>	<b>-</b>	<b>-</b>	<b>2,241,716</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,381,405</b>	<b>\$ 806,190</b>	<b>\$ (806,190)</b>	<b>\$ 3,381,405</b>

See Notes to Financial Statements

Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
For the Year Ended June 30, 2012

	LRMH			Mid-State Foundation	Consolidating Entries	Consolidated Total
	Unrestricted Funds	Temporarily Restricted Funds	All Funds			
<b>PUBLIC SUPPORT AND REVENUES</b>						
Public support -						
Federal	\$ 161,122	\$ -	\$ 161,122	\$ -	\$ -	\$ 161,122
State of New Hampshire - DBH	8,000	-	8,000	-	-	8,000
Other public support	1,085,284	49,982	1,135,266	-	(822,692)	312,574
<b>Total Public Support</b>	<b>1,254,406</b>	<b>49,982</b>	<b>1,304,388</b>	<b>-</b>	<b>(822,692)</b>	<b>481,696</b>
Revenues -						
Program service fees	7,308,967	-	7,308,967	-	-	7,308,967
Rental income	68,794	-	68,794	-	-	68,794
Investment income (loss)	(1,054)	-	(1,054)	24,542	-	23,488
Other revenue	13,039	-	13,039	-	-	13,039
Net assets released from restriction	10,988	(10,988)	-	-	-	-
<b>Total Revenues</b>	<b>7,400,734</b>	<b>(10,988)</b>	<b>7,389,746</b>	<b>24,542</b>	<b>-</b>	<b>7,414,288</b>
<b>TOTAL PUBLIC SUPPORT AND REVENUES</b>	<b>8,655,140</b>	<b>38,994</b>	<b>8,694,134</b>	<b>24,542</b>	<b>(822,692)</b>	<b>7,895,984</b>
<b>EXPENSES</b>						
BBH funded program services -						
Children Services	2,270,886	-	2,270,886	-	-	2,270,886
Intake	206,304	-	206,304	-	-	206,304
Multi-service	3,364,812	-	3,364,812	-	-	3,364,812
Emergency Services	554,244	-	554,244	-	-	554,244
Housing Services	192,282	-	192,282	-	-	192,282
Non-Eligible	786,473	-	786,473	-	-	786,473
Non-BBH funded program services	547,526	-	547,526	824,641	(822,692)	549,475
<b>TOTAL EXPENSES</b>	<b>7,922,527</b>	<b>-</b>	<b>7,922,527</b>	<b>824,641</b>	<b>(822,692)</b>	<b>7,924,476</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>732,613</b>	<b>38,994</b>	<b>771,607</b>	<b>(800,099)</b>	<b>-</b>	<b>(28,492)</b>
<b>NET ASSETS, beginning</b>	<b>1,456,430</b>	<b>13,679</b>	<b>1,470,109</b>	<b>800,099</b>	<b>-</b>	<b>2,270,208</b>
<b>NET ASSETS, ending</b>	<b>\$ 2,189,043</b>	<b>\$ 52,673</b>	<b>\$ 2,241,716</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,241,716</b>

See Notes to Financial Statements

Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
CONSOLIDATING STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2012

	LRMH	Mid State Foundation	Consolidating Entries	Consolidated Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Increase (decrease) in net assets	\$ 771,607	\$ (800,099)	\$ -	\$ (28,492)
Adjustments to reconcile to net cash provided by operations:				
Depreciation	154,219	-	-	154,219
Unrealized (gain) loss on investments	8,606	(8,589)	-	17
(Increase) decrease in:				
Accounts receivable	(1,505)	-	-	(1,505)
Prepaid expenses	4,775	50	-	4,825
Due from affiliated organizations	(801,940)	-	801,940	-
Restricted Cash	(2)	-	-	(2)
Increase (decrease) in:				
Accounts payable & accrued liabilities	(83,827)	-	-	(83,827)
Deferred income	(11,580)	-	-	(11,580)
Due to related organizations	-	801,940	(801,940)	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>40,353</u>	<u>(6,698)</u>	<u>-</u>	<u>33,655</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of property and equipment	(223,051)	-	-	(223,051)
Purchase of investments	(7,103)	(9,768)	-	(16,871)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(230,154)</u>	<u>(9,768)</u>	<u>-</u>	<u>(239,922)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Principal payments on long-term debt	(37,691)	-	-	(37,691)
<b>NET DECREASE IN CASH</b>	(227,492)	(16,466)	-	(243,958)
<b>CASH AT BEGINNING OF YEAR</b>	<u>235,129</u>	<u>252,741</u>	<u>-</u>	<u>487,870</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 7,637</u>	<u>\$ 236,275</u>	<u>\$ -</u>	<u>\$ 243,912</u>
<b>SUPPLEMENTAL DISCLOSURE</b>				
Cash Payments for Interest	\$ 29,140	\$ -	\$ -	\$ 29,140
Debt Incurred for the Purchase of Property and Equipment	\$ 100,000	\$ -	\$ -	\$ 100,000

See Notes to Financial Statements

Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
June 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Lakes Region Mental Health Center, Inc. (the Center) d/b/a Genesis Behavioral Health is a not-for-profit corporation, organized under New Hampshire law to provide services in the areas of mental health, and related non-mental health programs; it is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. In addition, the Center qualifies for the charitable contribution deduction under Section 170 (b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Mid State Mental Health Foundation, Inc. is a not-for-profit corporation organized September 21, 2006 under New Hampshire law. The Center is exempt under 501(c)(3) of the Internal Revenue Code. Effective June 30, 2012 the board of Mid State Mental Health Foundation, Inc. voted to immediately dissolve the corporation and transfer all assets to the Center.

Basis of Presentation

The consolidating financial statements include the accounts of Lakes Region Mental Health Center, Inc. (the Center) d/b/a Genesis Behavioral Health and its affiliate, Mid State Mental Health Foundation, Inc. All inter-company transactions and accounts have been eliminated in combination. This presentation is required by the structure of the board of directors of Mid State Mental Health Foundation whose by-laws require the majority of the board must be comprised of the Center's board members.

Estimates

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

Income Taxes

Consideration has been given to uncertain tax positions. The federal income tax returns (Form 990) for the years ended June 30, 2009, remain open for potential examination by major tax jurisdictions, generally for three years after they were filed.

Depreciation

The cost of property, equipment and leasehold improvements is depreciated over the estimated useful life of the assets using the straight line method. Estimated useful lives range from 3 to 40 years.

State Grants

The Center receives a number of grants from and has entered into various contracts with the State of New Hampshire related to the delivery of mental health services.

Vacation Pay and Fringe Benefits

Vacation pay is accrued and charged to the programs when earned by the employee. Fringe benefits are allocated to the appropriate program expense based on the percentage of actual time spent on the programs.

Revenue

Revenue from federal, state and other sources is recognized in the period earned.

Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
June 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Third Party Contractual Arrangements

A significant portion of patient revenue is derived from services to patients insured by third-party payors. The center receives reimbursement from Medicare, Medicaid, Blue Cross, and other third-party insurers at defined rates for services rendered to patients covered by these programs. The difference between the established billing rates and the actual rate of reimbursement is recorded as allowances when recorded. A provision for estimated contractual allowances is provided on outstanding patient receivables at the balance sheet date.

Temporarily Restricted Funds

Specific purpose funds are used to differentiate resources, the use of which is restricted by donors, from resources of general funds on which the donors place no restriction or that arise as a result of the operations of the Center for its stated purposes. Specific purpose contributions and other donor-restricted resources are recorded as additions to temporarily restricted net assets at the time they are received and as released from restrictions when expended for the purpose for which they were given. The earnings from these funds will be used to fund operations. For the year ending June 30, 2012 \$10,988 was released from restrictions.

Accounts Receivable

Accounts receivable are recorded based on amounts billed for services provided. The allowance for doubtful accounts in the Center's estimate of the amount of probable losses in the existing accounts receivable based on historic trends and the composition of the accounts receivable aging as of June 30, 2012.

Advertising

Advertising costs are expensed as incurred. Total costs were \$40,014 at June 30, 2012.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment, at cost, consists of the following:

Land, buildings and improvements	\$ 2,367,872
Computer equipment	744,452
Furniture, fixtures and equipment	1,513,062
Vehicles	<u>76,688</u>
	4,702,074
Accumulated depreciation	<u>(3,232,884)</u>
 NET BOOK VALUE	 <u>\$ 1,469,190</u>

Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
June 30, 2012

NOTE 3

ACCOUNTS RECEIVABLE

ACCOUNTS RECEIVABLE – TRADE

Due from clients	\$ 261,956
Receivable from insurance companies	88,237
Medicaid receivables	485,313
Medicare receivables	96,449
	931,955
Allowance for doubtful accounts	(337,000)
	594,955
Total Receivable - Trade	

ACCOUNTS RECEIVABLE – OTHER

Housing Rent	10,241
LCRS	2,863
HUD	12,790
Grafton County	5,750
Belknap County	8,550
Mount Prospect Academy	5,200
Town Appropriations	34,500
NFI North, Inc.	1,800
Health First	1,200
Other Grants	5,204
	88,098
Total Receivable - Other	

TOTAL ACCOUNTS RECEIVABLE \$ 683,053

NOTE 4

LINE OF CREDIT

As of June 30, 2012, the Center had available a line of credit with an upper limit of \$1,400,000 with a local area bank. At that date, \$- had been borrowed against the line of credit. These funds are available at a variable rate of interest, with a floor no less than 5.5% per annum. This line of credit expires November 30, 2012, and is secured by all business assets.

Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
June 30, 2012

NOTE 5      COMMITMENTS

The corporation leases real estate and equipment under various operating leases. Minimum future rental payments under non cancelable operating leases as of June 30, 2012 for each of the next four years and in the aggregate are:

June 30,	Amount
2013	\$ 211,927
2014	202,417
2015	148,867
2016	73,936
2017	1,375

Total rent expense for the year ended June 30, 2012, including rent expense for leases with a remaining term of one year or less was \$195,608.

The Center entered into a subscription agreement with a software vendor and is obligated to pay \$5,950 per month through May 31, 2016 in exchange for software subscription services. The amount is included in the above obligations.

NOTE 6      EMPLOYEE BENEFIT PLAN

The Center has the option to make contributions to a defined contribution 403(b) plan on behalf of its employees. This program covers substantially all full-time employees. During the year ended June 30, 2012, no such contributions were made.

NOTE 7      RESTRICTED CASH

The Center maintains restricted depository accounts. At the balance sheet date the amounts are as follows:

Rural Development *	\$ 47,452
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\* Balance will accumulate per loan agreement to \$47,448 at a required monthly deposit of \$395. As of June 30, 2012 this required total had been accumulated.

Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
June 30, 2012

NOTE 8 LONG-TERM DEBT

As of June 30, 2012, long-term debt consisted of the following:

5% mortgage note payable - Rural Development due in monthly aggregate installments of \$3,357 (including principal and interest) secured by land and buildings through May, 2027.	\$ 423,776
5% mortgage note payable - Rural Development due in monthly installments of \$597 (including principal and interest) secured by land and buildings through December, 2030.	85,983
1% note payable - NH Health and Education Facilities due in monthly installments of \$1,709 (including principal and interest) secured by equipment through September, 2016.	<u>83,686</u>
	<u>593,445</u>
Less: Current Portion	<u>(42,236)</u>
	<u>\$ 551,209</u>

Expected maturities for the next five years are as follows:

Year Ending <u>June 30,</u>	
2013	\$ 42,236
2014	43,585
2015	44,994
2016	46,264
2017	31,060
Thereafter	<u>385,306</u>
	<u>\$ 593,445</u>

NOTE 9 CONTINGENT LIABILITIES

The Center receives money under various State and Federal grants. Under the terms of these grants, the Center is required to use the money within the grant period for purposes specified in the grant proposal and is subject to compliance reviews and audits by the grantor agencies. It is the opinion of management that any liability, resulting from future grantor agency audits of completed grant contracts, would not be material in relation to the overall financial statements.

Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
June 30, 2012

NOTE 10 INVESTMENTS

Investments consist of amounts invested in various Vanguard Equity and Bond Funds. At June 30, 2012, the status of these funds were as follows:

	LRMH			Mid-State Foundation		
	Cost	Unrealized Gain (Loss)	Market	Cost	Unrealized Gain (Loss)	Market
Large Blend	\$ 65,882	\$ (862)	\$ 65,020	\$ 166,857	\$ 17,844	\$ 184,701
Diversified Emerging Market	19,976	(3,048)	16,928	-	-	-
World Stock	63,276	(11,875)	51,401	-	-	-
Health	27,658	7,022	34,680	76,025	16,396	92,421
Large Growth	54,378	(94)	54,284	73,080	3,166	76,246
Mid-Cap Value	60,220	9,031	69,251	131,043	(11,749)	119,294
Short-Term Bond	41,267	443	41,710	93,729	3,520	97,249
Cash	1,194	-	1,194	4	-	4
	<u>\$ 333,851</u>	<u>\$ 617</u>	<u>\$ 334,468</u>	<u>\$ 540,738</u>	<u>\$ 29,177</u>	<u>\$ 569,915</u>

The related unrealized gain (losses) have been included in the investment income line on the accompanying statement of activities. Investment income (loss) is as follows:

	LRMH	Mid State Foundation	Total
Interest and Dividends	\$ 7,552	\$ 15,953	\$ 23,505
Unrealized Gains (Losses)	(8,606)	8,589	(17)
	<u>\$ (1,054)</u>	<u>\$ 24,542</u>	<u>\$ 23,488</u>

NOTE 11 FAIR VALUE MEASUREMENTS

Professional accounting standards require a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure 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 these professional accounting standards are described below:

Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
June 30, 2012

NOTE 11 FAIR VALUE MEASUREMENTS (continued)

Basis of Fair Value Measurement

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

All investments are categorized as Level 1 and recorded at fair value, as of June 30, 2012. As required by professional accounting standards, investment assets are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

NOTE 12 SUBSEQUENT EVENTS

In accordance with professional accounting standards, the Center has evaluated subsequent events through August 30, 2012, which is the date the financial statement was available to be issued. All events requiring recognition as of June 30, 2012, have been incorporated into the financial statements herein.

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**SUPPLEMENTARY INFORMATION**

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Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
ANALYSIS OF ACCOUNTS RECEIVABLE  
For the Year Ended June 30, 2012

	Accounts Receivable Beginning of Year	Gross Fees	Contractual Allowances and Other Discounts Given	Cash Receipts	Accounts Receivable End of Year
CLIENT FEES	\$ 334,742	\$ 1,132,189	\$ (958,402)	\$ 246,573	\$ 261,956
BLUE CROSS / BLUE SHIELD	24,985	319,714	(91,275)	224,304	29,120
MEDICAID	427,083	6,837,711	(989,798)	5,789,683	485,313
MEDICARE	63,554	451,463	(280,731)	137,837	96,449
OTHER INSURANCE	62,993	389,259	(192,816)	200,319	59,117
ALLOWANCE FOR DOUBTFUL ACCOUNTS	<u>(355,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(337,000)</u>
TOTAL	<u>\$ 558,357</u>	<u>\$ 9,130,336</u>	<u>\$ (2,513,022)</u>	<u>\$ 6,598,716</u>	<u>\$ 594,955</u>

Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
**ANALYSIS OF BBH REVENUES, RECEIPTS AND RECEIVABLES**  
For the Year Ended June 30, 2012

	Receivable (Deferred Income) From BBH Beginning of Year	BBH Revenues Per Audited Financial Statements	Receipts for Year	Receivable (Deferred Income) From BBH End of Year
CONTRACT YEAR, June 30, 2012	\$ -	\$ 8,000	\$ (8,000)	\$ -

Analysis of Receipts Date of Receipt Deposit Date	Amount
10/13/11	\$ 4,565
10/21/11	392
10/25/11	780
11/02/11	2,041
11/16/11	3,575
11/28/11	2,070
01/26/12	13,699
01/26/12	2,617
05/22/12	6,000
05/30/12	15,010
06/11/12	1,251
Less: Federal Monies	<u>(44,000)</u>
	<u>\$ 8,000</u>

Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
STATEMENT OF FUNCTIONAL PUBLIC SUPPORT AND REVENUES  
For the Year Ended June 30, 2012

	Total Agency	Admin.	Total Programs	Children
<b>Program Service Fees:</b>				
Net Client Fee	\$ 173,787	\$ -	\$ 173,787	\$ 2,547
Blue Cross/Blue Shield	228,439	-	228,439	29,082
Medicaid	5,847,913	-	5,847,913	2,819,566
Medicare	170,732	-	170,732	-
Other Insurance	196,443	-	196,443	1,314
<b>Program Sales:</b>				
Service	691,653	-	691,653	-
<b>Public Support - Other:</b>				
United Way	364	364	-	-
Local/County Government	147,188	-	147,188	-
Donations/Contributions	860,267	40,576	819,691	4,867
Bureau Development	21,625	-	21,625	-
Other Public Support	54,233	11,777	42,456	17,600
DCYF	1,607	-	1,607	1,607
<b>Federal Funding:</b>				
HUD Grant	133,861	-	133,861	-
Other Federal Grants	27,261	-	27,261	9,958
Rental Income	68,794	-	68,794	-
Investment Income (loss)	(1,054)	(1,056)	2	1
<b>DBH &amp; DS:</b>				
Community Mental Health	8,000	-	8,000	1,570
Other Revenues	13,039	4,394	8,645	1,094
Net Assets Released From Restriction	10,988	10,988	-	-
	8,655,140	67,043	8,588,097	2,889,206
Administration	-	(67,043)	67,043	22,553
<b>TOTAL PUBLIC SUPPORT AND REVENUES</b>	<b>\$ 8,655,140</b>	<b>\$ -</b>	<b>\$ 8,655,140</b>	<b>\$ 2,911,759</b>

Multi-Service	Intake	Emergency Services	Housing Services		Non Eligible	Non BBH Funded Programs
			Apts. S.L. McGrath	Apts. S.L. Summer		
\$ 20,788	\$ 30,217	\$ 22,413	\$ -	\$ -	\$ 97,822	\$ -
36,268	33,998	20,408	-	-	108,683	-
2,742,731	105,839	99,707	-	-	80,070	-
114,856	6,676	(86)	-	-	49,286	-
30,175	20,143	19,324	-	-	125,487	-
850	-	-	-	-	19,558	671,245
-	-	-	-	-	-	-
-	-	90,488	-	-	56,700	-
6,363	205	1,013	-	-	1,053	806,190
21,625	-	-	-	-	-	-
14,829	485	4,970	-	-	4,414	158
-	-	-	-	-	-	-
-	-	-	36,601	97,260	-	-
14,773	181	1,089	-	-	1,247	13
-	-	-	37,426	31,368	-	-
1	-	-	-	-	-	-
6,430	-	-	-	-	-	-
5,535	9	272	-	10	975	750
-	-	-	-	-	-	-
3,015,224	197,753	259,598	74,027	128,638	545,295	1,478,356
23,539	1,544	2,027	578	1,004	4,257	11,541
<u>\$ 3,038,763</u>	<u>\$ 199,297</u>	<u>\$ 261,625</u>	<u>\$ 74,605</u>	<u>\$ 129,642</u>	<u>\$ 549,552</u>	<u>\$ 1,489,897</u>

Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2012

	Total Agency	Administration	Total Programs	Children
<b>Personnel Costs:</b>				
Salary and wages	\$ 5,120,848	\$ 524,562	\$ 4,596,286	\$ 1,334,908
Employee benefits	969,949	121,542	848,407	246,177
Payroll Taxes	360,333	37,152	323,181	95,325
Substitute Staff	147,490	-	147,490	8,392
Client Evaluation/Services	3,879	-	3,879	3,879
<b>PROFESSIONAL FEES AND CONSULTANTS:</b>				
Accounting/audit fees	28,335	28,335	-	-
Legal fees	12,971	-	12,971	4,506
Other professional fees	18,348	15,342	3,006	-
<b>Staff Devel. &amp; Training:</b>				
Journals & publications	3,286	147	3,139	666
In-Service training	7,207	-	7,207	2,458
Conferences & conventions	12,022	839	11,183	2,239
Other staff development	20,811	2,686	18,125	(6,355)
<b>Occupancy costs:</b>				
Rent	84,909	2,544	82,365	28,964
Mortgage (Interest)	26,852	2,954	23,898	8,152
Heating Costs	25,156	786	24,370	2,754
Other Utilities	69,983	4,145	65,838	16,643
Maintenance & repairs	89,977	325	89,652	25,662
<b>Consumable Supplies:</b>				
Office	29,583	143	29,440	9,901
Building/household	16,902	-	16,902	4,461
Medical	229	-	229	-
Other	123,845	9,779	114,066	36,634
Depreciation-Equipment	82,539	6,529	76,010	22,689
Depreciation-Building	71,680	4,678	67,002	13,677
Equipment rental	13,058	698	12,360	4,263
Equipment maintenance	21,909	317	21,592	7,360
Advertising	40,015	7,525	32,490	9,732
Printing	605	605	-	-
Telephone/communications	208,589	8,747	199,842	64,995
Postage/shipping	20,055	157	19,898	6,976
<b>Transportation:</b>				
Staff	152,649	1,511	151,138	47,919
Clients	4,285	-	4,285	644
<b>Assist to Individuals:</b>				
Client services	37,357	-	37,357	21,353
<b>Insurance:</b>				
Malpractice/bonding	22,806	7,661	15,145	5,043
Vehicles	2,566	71	2,495	364
Comp. Property/liability	17,438	1,148	16,290	4,068
Membership Dues	15,761	860	14,901	70
Other Expenditures	36,012	21,981	14,031	2,455
Interest Expense	2,288	2,288	-	-
	<u>7,922,527</u>	<u>816,057</u>	<u>7,106,470</u>	<u>2,036,974</u>
Admin. Allocation	-	(816,057)	816,057	233,912
<b>TOTAL PROGRAM EXPENSES</b>	<u>\$ 7,922,527</u>	<u>\$ -</u>	<u>\$ 7,922,527</u>	<u>\$ 2,270,886</u>

Multi-Service	Intake	Emergency Services	Housing Services		Non-Eligible	Non BBH Funded Programs
			Apts. S.L. McGrath	Apts. S.L. Summer		
\$ 1,878,261	\$ 137,179	\$ 342,999	\$ 17,393	\$ 40,264	\$ 482,202	\$ 363,080
363,210	21,839	68,777	3,465	8,022	76,031	60,886
133,823	9,992	24,866	1,253	2,902	33,252	21,768
92,814	2,673	3,217	-	-	32,658	7,736
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,211	195	948	-	-	1,094	17
-	-	-	-	-	-	3,006
1,969	32	120	-	-	347	5
3,475	119	449	-	-	660	46
4,798	16	116	-	100	1,097	2,817
19,847	134	685	-	-	88	3,726
38,554	1,580	846	-	-	12,392	29
11,949	295	1,875	-	-	1,625	2
4,126	100	642	8,846	7,314	586	2
23,715	664	2,994	9,292	8,336	4,194	-
36,529	1,049	4,773	5,079	10,056	6,472	32
14,473	398	1,894	-	200	2,542	32
6,245	195	806	136	3,770	1,246	43
229	-	-	-	-	-	-
52,215	1,571	7,382	-	-	9,541	6,723
36,269	1,623	3,989	1,351	4,172	5,896	21
19,655	1,019	2,724	8,923	17,781	3,206	17
6,051	181	678	-	-	1,187	-
10,513	300	1,452	-	120	1,815	32
18,345	373	1,675	-	-	2,264	101
-	-	-	-	-	-	-
92,349	2,614	17,916	300	1,506	17,643	2,519
9,418	340	695	-	-	2,430	39
96,057	204	2,483	-	1,791	2,653	31
3,318	27	139	-	-	157	-
16,004	-	-	-	-	-	-
5,132	68	689	-	-	513	3,700
1,624	15	65	163	163	99	2
5,873	157	826	2,229	2,202	932	3
99	3	14	-	-	18	14,697
5,071	99	420	4,186	1,161	623	16
-	-	-	-	-	-	-
3,018,221	185,054	497,154	62,616	109,860	705,463	491,128
346,591	21,250	57,090	7,190	12,616	81,010	56,398
<u>\$ 3,364,812</u>	<u>\$ 206,304</u>	<u>\$ 554,244</u>	<u>\$ 69,806</u>	<u>\$ 122,476</u>	<u>\$ 786,473</u>	<u>\$ 547,526</u>



**Kittell Branagan & Sargent**

*Certified Public Accountants*

Vermont License # 167

Report 1

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

To the Board of Trustees of  
Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate

We have audited the consolidating financial statements of Lakes Region Mental Health Center, Inc. d/b/a Genesis Behavioral Health (a nonprofit organization) and its affiliate as of and for the year ended June 30, 2012, and have issued our report thereon dated August 30, 2012. We conducted our audit 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Lakes Region Mental Health Center, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lakes Region Mental Health Center, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Lakes Region Mental Health Center, Inc.'s internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Board of Trustees of  
Lakes Region Mental Health Center, Inc.  
d/b/a Genesis Behavioral Health and Affiliate  
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lakes Region Mental Health Center, Inc.'s consolidating financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Kittell Branagan + Spent*

St. Albans, Vermont  
August 30, 2012

# Margaret M. Pritchard

**Objective:** Administer programs which assist disabled people in obtaining or maintaining quality independent life

**Experience:** Current Genesis Behavioral Health Laconia, NH  
Executive Director

2004-2007 Community Partners Dover, NH

**Chief Operating Officer, Behavioral Health & Developmental Services of Strafford County, Inc.**

- Oversee day-to-day operations of this non-profit company
- Establish and monitor revenue projections for approximately 17 million dollars worth of business
- Supervise all clinical directors of programs
- Participate in all board meetings and prepares monthly reports for presentation to the board
- Implemented and maintains a cohesive corporate identity between two previously separate corporations
- Serves on Division committees as needed
- Acting CEO on an as-needed basis
- Advocates politically for the corporation

2001-2004 Community Partners Dover, NH

**Chief Operating Officer, Behavioral Health Division**

- Responsible for incorporating 7 million dollar CMHC operations into an existing developmental services agency as a result of the closing of Strafford Guidance Center

2000-2001 Genesis Behavioral Health Laconia, NH

**Director, Clinical Operations**

- Established multidisciplinary teams and set standards of care
- Monitored various contractor agreements
- Established revenue projections for 5.2 million dollar operations
- Served on both internal and external organization committees

1994-2000 Riverbend CMHC Concord, NH

**Director, Community Support Program**

- Hire, fire and supervise middle managers and direct care staff (approx 100 staff)
- Established productivity expectations consistent with budget target of approx 4 million dollars
- Monitored and implemented quality assurance standards to satisfy regulators including NH DBH, Medicaid, Medicare, NHHFA, etc
- Developed policies and procedures
- Established and ensured a full range of services for people with psychiatric disabilities

1992-1994 The Mental Health Center Manchester, NH

**Director, Emergency Services**

- Managed the 24-hour psychiatric assessments and emergency care Supervised, recruited and trained personnel internal and external to the department
- Liaison to local police hospitals, homeless shelters and refugee center

**Emergency Service Clinician**

- Provided crisis intervention, assessments and emergency care to people in acute distress

1987-1989 Community Council Nashua, NH

**Director, Community Education**

- Developed and implemented agency-wide staff development plan
- Submitted grants and responded to RFPs for special projects that assisted the agency in promoting education and prevention services

1986-1989 NE Non-profit Housing Manchester, NH

**Social Worker** Property management and general contractor for CDBH/"Mod Rehab" housing projects

- Screened individuals and families for housing assistance through Section 8 and other subsidy programs
- Co-authored HUD grant for 2.5 million dollars for "VWomen in Transition"
- Conducted housing inspections and worked with code department and local authority to assure compliance standards

1986 Region IV Agency Concord, NH

**Case Manager**

- Developed and monitored treatment plans for 25 developmentally disabled adults

1982-1985 The Mental Health Center Manchester, NH

**Manager: Criscare Care Unit/SRO/Respite Care/Shared Apartment Program**

- Supervised and trained direct care staff in implementing treatment related to independent living skills and community-based living
- Screened and assessed clients for appropriate services and placement.
- Liaison with local housing authority and police

**Residential Staff**

- Wrote and implemented residential service plans for 40 psychiatrically disabled adults.

**Education:** 1998-2000 New England College Henniker, NH

- MS Community Mental Health Counseling
- 1977-1981 SUNY Brockport Brockport, NY
- BS Social Work

**Interests:** 1989-Present

Granite State Critical Incident Street Management Team-Coordinator



*The mission of Genesis Behavioral Health is to provide direct services that enhance the emotional and mental health of our communities.*  
*(Revised June 2009)*

### **Our Vision**

**Genesis Behavioral Health is the leading health care provider recognized for its excellence in delivering accessible, quality mental health care and support in our communities.**

### **Our Values**

- |                          |  |
|--------------------------|--|
| <b><u>RESPECT</u></b>    | <b>We conduct our business and provide services with respect and professionalism.</b>                            |
| <b><u>ADVOCATE</u></b>   | <b>We advocate for those we serve through enhanced collaborations, community relations and political action.</b> |
| <b><u>INTEGRITY</u></b>  | <b>We work with integrity and transparency, setting a moral compass for the agency.</b>                          |
| <b><u>STEWARDS</u></b>   | <b>We are effective stewards of our resources for our clients and our agency's health.</b>                       |
| <b><u>EXCELLENCE</u></b> | <b>We are committed to excellence in all programming and services.</b>   |

**The Lakes Region Mental Health Center, Inc.  
DBA GENESIS Behavioral Health  
Board of Directors  
October 24, 2012**

**PRESIDENT  
Susan Stearns**

**VICE PRESIDENT  
Deborah Pendergast**

**TREASURER  
Cydney Shapleigh-Johnson**

**SECRETARY  
Cinde Warmington**

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**HONORARY BOARD MEMBER**

**Esther Peters**