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

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

Nicholas A. Toumpas
Commissioner

Maggie Bishop
Director

May 20, 2013

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Divisions for Children, Youth and Families to exercise a renewal option with multiple vendors (see detail below) by increasing the price limitation by \$1,073,040.00 from \$2,206,080.00 to \$3,279,120.00, for the provision of comprehensive family support services statewide, effective July 1, 2013 or date of Governor and Executive Council approval, whichever comes later, through June 30, 2014, in an amount not to exceed.

100% Federal Fund

Summary of contracted amounts by vendor:

<u>Vendor</u>	<u>Amount</u>
Child and Family Services of New Hampshire	\$357,680.00
Children Unlimited, Inc.	\$89,420.00
Community Action Partnership of Strafford County	\$89,420.00
Family Resource Center at Gorham	\$89,420.00
Families First of the Greater Seacoast	\$89,420.00
Good Beginnings of Sullivan County	\$89,420.00
Lakes Region Community Services Council	\$89,420.00
Monadnock Family Services	\$89,420.00
The Upper Room, A Family Resource Center	\$89,420.00
TOTAL	\$1,073,040.00

Funds to support this request are anticipated to be available in the following accounts in SFY 2014 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and amend the related terms of the contracts without further approval from Governor and Executive Council.

05-95-42-421010-29660000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD PROTECTION, TITLE XX GRANTS – SSBG

05-95-42-421010-29680000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD PROTECTION, TITLE IVB SUBPART I

05-95-42-421010-29730000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD PROTECTION, PROMOTING SAFE-STABLE FAMILIES

Please see Attachment A for financial details

EXPLANATION

The requested action seeks approval of a total of 9 agreements that represent the provision of comprehensive family support services to families statewide in all Division catchment areas. Throughout the state, local agencies provide a range of support services to families and children that focus on strengthening, supporting and building on the strengths and skills of individuals. These services adhere to a nationally recognized set of values and principles centered on the empowerment of individuals, families and communities. Since State Fiscal Year 2002, the Division for Children, Youth and Families has formalized partnerships, through the contracting process, with one local agency per catchment area, to provide services to families experiencing stressors that could cause them to become involved with the Division should they not obtain sufficient support to address their family's needs. This request seeks to exercise the renewal option that exists within each of the vendor contracts.

Comprehensive family support services seek to prevent family problems by strengthening parent-child relationships and by providing parents what they need to be good nurturers and providers. The program delivers a wide array of services through a single point of entry and ensures that families can access the services in their home communities, and from agencies and partners that know the individuals and characteristics of the communities that they serve. Services include: visiting family homes to establish a trusting, non-threatening relationship with which the family's needs can be identified; educating parents about their child(ren)'s medical and health needs; linking parents with early childhood care programs and teaching them about child development; supporting and educating parents through peer parent support groups; linking parents with literacy programs to either help parents learn to read or to teach them the importance of reading to their child(ren); family mentoring and advocacy to improve parenting skills, self-sufficiency, family functioning, and reduce the likelihood of abuse and neglect; life skills training to address the family's needs in the context of budgeting, nutrition counseling, financial management, job security, etc. (particularly helpful to young parents); and short-term child placement/respite care to help families ensure their child(ren) are cared for when the parent is temporarily unable to do so.

Through the provision of comprehensive family support services families receive needed services in the most non-intrusive, non-stigmatizing and most efficient manner possible. Over the last six years, the Division for Children, Youth and Families has identified several proven outcomes for participating families, such as not becoming involved in other systems of care, becoming actively engaged with their community, and learning how to pursue and achieve healthy goals. The success of these prevention oriented services helps the Division for

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council

May 20, 2013

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Children, Youth and Families achieve its mission, in that children live in nurturing families, and play and go to schools in communities that are safe and cherish children.

Supporting Federal Funds continue to be available for these services and all agencies further support the program by contributing at least 25% of the cost of service provision through contractor match dollars, in effective eliminated the need for matching General Funds.

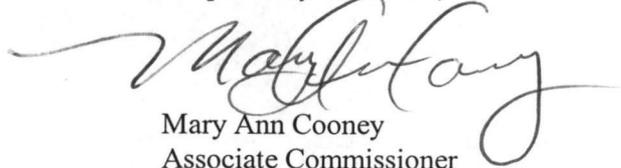
In the event that this contract is not approved by the Governor and Executive Council, children and families will go without preventative services resulting in the very real likelihood of increased maltreatment of children in this state.

Geographic area served: Statewide in all catchment areas.

Source of funds: 100% Federal Funds from the US Department of Health and Human Services.

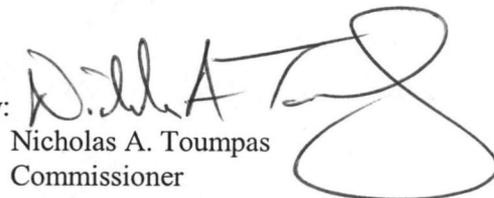
In the event that the Federal funds become no longer available, General funds will not be requested to support this program.

Respectfully submitted,



Mary Ann Cooney
Associate Commissioner

Approved by:



Nicholas A. Toumpas
Commissioner

Attachment A – Financial Details
 Comprehensive Family Support Services
 April 22, 2013

**05-95-42-421010-29660000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN
 SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD PROTECTION, TITLE XX
 GRANTS – SSBG**

Child and Family Services (Vendor #177166 B002)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130302	2012	\$209,697.00	\$0.00	\$209,697.00
			2013	\$209,697.00	\$0.00	\$209,697.00
			2014	\$00.0	\$229,697.00	\$229,697.00
			Sub-total:	<u>\$419,394.00</u>	<u>\$229,697.00</u>	<u>\$649,091.00</u>

Children Unlimited (Vendor #156114 B001)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130302	2012	\$72,920.00	\$0.00	\$72,920.00
			2013	\$72,920.00	\$0.00	\$72,920.00
			2014	\$00.0	\$70,420.00	\$70,420.00
			Sub-total:	<u>\$145,840.00</u>	<u>\$70,420.00</u>	<u>\$216,260.00</u>

Community Action Partnership – Strafford County (Vendor #177200 B004)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130302	2012	\$72,920.00	\$0.00	\$72,920.00
			2013	\$72,920.00	\$0.00	\$72,920.00
			2014	\$00.0	\$70,420.00	\$70,420.00
			Sub-total:	<u>\$145,840.00</u>	<u>\$70,420.00</u>	<u>\$216,260.00</u>

Attachment A – Financial Details
 Comprehensive Family Support Services
 April 22, 2013

Families First of the Greater Seacoast (Vendor #166629 B001)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130302	2012	\$72,920.00	\$0.00	\$72,920.00
			2013	\$72,920.00	\$0.00	\$72,920.00
			2014	\$00.0	\$70,420.00	\$70,420.00
			Sub-total:	<u>\$145,840.00</u>	<u>\$70,420.00</u>	<u>\$216,260.00</u>

Family Resource Center at Gorham (Vendor #162412 B001)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130302	2012	\$72,920.00	\$0.00	\$72,920.00
			2013	\$72,920.00	\$0.00	\$72,920.00
			2014	\$00.0	\$70,420.00	\$70,420.00
			Sub-total:	<u>\$145,840.00</u>	<u>\$70,420.00</u>	<u>\$216,260.00</u>

Good Beginnings of Sullivan County (Vendor #170625 B001)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130302	2012	\$72,920.00	\$0.00	\$72,920.00
			2013	\$72,920.00	\$0.00	\$72,920.00
			2014	\$00.0	\$70,420.00	\$70,420.00
			Sub-total:	<u>\$145,840.00</u>	<u>\$70,420.00</u>	<u>\$216,260.00</u>

Attachment A – Financial Details
 Comprehensive Family Support Services
 April 22, 2013

Lakes Region Community Services Council (Vendor #177251 B001)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130302	2012	\$72,920.00	\$0.00	\$72,920.00
			2013	\$72,920.00	\$0.00	\$72,920.00
			2014	\$00.0	\$70,420.00	\$70,420.00
			Sub-total:	<u>\$145,840.00</u>	<u>\$70,420.00</u>	<u>\$216,260.00</u>

Monadnock Family Services (Vendor #177510 B001)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130302	2012	\$72,920.00	\$0.00	\$72,920.00
			2013	\$72,920.00	\$0.00	\$72,920.00
			2014	\$00.0	\$70,420.00	\$70,420.00
			Sub-total:	<u>\$145,840.00</u>	<u>\$70,420.00</u>	<u>\$216,260.00</u>

The Upper Room (Vendor #174210 R001)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130302	2012	\$72,920.00	\$0.00	\$72,920.00
			2013	\$72,920.00	\$0.00	\$72,920.00
			2014	\$00.0	\$70,420.00	\$70,420.00
			Sub-total:	<u>\$145,840.00</u>	<u>\$70,420.00</u>	<u>\$216,260.00</u>
			Sub-total SSBG:	<u>\$1,586,114.00</u>	<u>\$793,057.00</u>	<u>\$2,379,171.00</u>

Attachment A – Financial Details
 Comprehensive Family Support Services
 April 22, 2013

05-95-42-421010-29680000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD PROTECTION, TITLE IVB SUBPART I

Child and Family Services (Vendor #177166 B002)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130215	2012	\$50,000.00	\$0.00	\$50,000.00
			2013	\$50,000.00	\$0.00	\$50,000.00
			2014	\$00.0	\$50,000.00	\$50,000.00
			Sub-total:	<u>\$100,000.00</u>	<u>\$50,000.00</u>	<u>\$150,000.00</u>

05-95-42-421010-29690000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD PROTECTION, CHILD ABUSE PREVENTION CAPTA

Child and Family Services (Vendor #177166 B002)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130011	2012	\$30,000.00	\$0.00	\$30,000.00
			2013	\$30,000.00	\$0.00	\$30,000.00
			2014	\$00.0	\$0.00	\$0.00
			Sub-total:	<u>\$60,000.00</u>	<u>\$0.00</u>	<u>\$60,000.00</u>

05-95-42-421010-29730000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD PROTECTION, PROMOTING SAFE-STABLE FAMILIES

Child and Family Services (Vendor #177166 B002)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130007	2012	\$77,983.00	\$0.00	\$77,983.00
			2013	\$77,983.00	\$0.00	\$77,983.00

Attachment A – Financial Details
 Comprehensive Family Support Services
 April 22, 2013

			2014	\$00.0	\$77,983.00	\$77,983.00
			Sub-Total:	<u>\$155,966.00</u>	<u>\$77,983.00</u>	<u>\$233,949.00</u>

Children Unlimited (Vendor #156114 B001)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130007	2012	\$19,000.00	\$0.00	\$19,000.00
			2013	\$19,000.00	\$0.00	\$19,000.00
			2014	\$00.0	\$19,000.00	\$19,000.00
			Sub-Total:	<u>\$38,000.00</u>	<u>\$19,000.00</u>	<u>\$57,000.00</u>

Community Action Partnership – Strafford County (Vendor #177200 B004)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130007	2012	\$19,000.00	\$0.00	\$19,000.00
			2013	\$19,000.00	\$0.00	\$19,000.00
			2014	\$00.0	\$19,000.00	\$19,000.00
			Sub-Total:	<u>\$38,000.00</u>	<u>\$19,000.00</u>	<u>\$57,000.00</u>

Families First of the Greater Seacoast (Vendor #166629 B001)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130007	2012	\$19,000.00	\$0.00	\$19,000.00
			2013	\$19,000.00	\$0.00	\$19,000.00
			2014	\$00.0	\$19,000.00	\$19,000.00
			Sub-Total:	<u>\$38,000.00</u>	<u>\$19,000.00</u>	<u>\$57,000.00</u>

Attachment A – Financial Details
 Comprehensive Family Support Services
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Family Resource Center at Gorham (Vendor #162412 B001)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130007	2012	\$19,000.00	\$0.00	\$19,000.00
			2013	\$19,000.00	\$0.00	\$19,000.00
			2014	\$00.0	\$19,000.00	\$19,000.00
			Sub-Total:	<u>\$38,000.00</u>	<u>\$19,000.00</u>	<u>\$57,000.00</u>

Good Beginnings of Sullivan County (Vendor #170625 B001)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130007	2012	\$19,000.00	\$0.00	\$19,000.00
			2013	\$19,000.00	\$0.00	\$19,000.00
			2014	\$00.0	\$19,000.00	\$19,000.00
			Sub-Total:	<u>\$38,000.00</u>	<u>\$19,000.00</u>	<u>\$57,000.00</u>

Lakes Region Community Services Council (Vendor #177251 B001)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130007	2012	\$19,000.00	\$0.00	\$19,000.00
			2013	\$19,000.00	\$0.00	\$19,000.00
			2014	\$00.0	\$19,000.00	\$19,000.00
			Sub-Total:	<u>\$38,000.00</u>	<u>\$19,000.00</u>	<u>\$57,000.00</u>

Monadnock Family Services (Vendor #177510 B001)

Attachment A – Financial Details
 Comprehensive Family Support Services
 April 22, 2013

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130007	2012	\$19,000.00	\$0.00	\$19,000.00
			2013	\$19,000.00	\$0.00	\$19,000.00
			2014	\$00.0	\$19,000.00	\$19,000.00
			Sub-Total:	<u>\$38,000.00</u>	<u>\$19,000.00</u>	<u>\$57,000.00</u>

The Upper Room (Vendor #174210 R001)

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>State Fiscal Year</u>	<u>Current Modified Budget</u>	<u>Increase/Decrease</u>	<u>Revised Modified Budget</u>
102-500734	Social Service Contract	40130007	2012	\$19,000.00	\$0.00	\$19,000.00
			2013	\$19,000.00	\$0.00	\$19,000.00
			2014	\$00.0	\$19,000.00	\$19,000.00
			Sub-Total:	<u>\$38,000.00</u>	<u>\$19,000.00</u>	<u>\$57,000.00</u>
			Sub-total PSSF:	<u>\$459,966.00</u>	<u>\$229,983.00</u>	<u>\$689,949.00</u>
			Grand Total:	<u>\$2,206,080.00</u>	<u>\$1,073,040.00</u>	<u>\$3,279,120.00</u>



State of New Hampshire
Department of Health and Human Services
Amendment #1 to the *Comprehensive Family Support Service Contract*

This **1st** Amendment to the *Comprehensive Family Support Services* contract (hereinafter referred to as "Amendment 1") dated this **22nd** day of April, **2013**, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and *Child and Family Services of New Hampshire* (hereinafter referred to as "the Contractor"), a **non-profit corporation** company with a place of business at **464 Chestnut Street, Manchester, NH 03105**.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on **June 22, 2011 (Item # 253)**, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 and **Exhibit C-1, section 1**, the State may, **renew the contract for up to four additional years** by written agreement of the parties;

WHEREAS **the State and the Contractor have agreed that a one-year extension of the contract is agreeable to the parties;**

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

To amend as follows:

- Form P-37, Item 1.7, Completion Date shall be amended to read "June 30, 2014"
- Form P-37, Item 1.8, Price Limitation, shall be amended to read "\$1,093,040.00"
- Exhibit A, Scope of Services, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, Section 1, shall be amended to read "\$1,093,040.00"



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

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

5/22/13
Date

State of New Hampshire
Department of Health and Human Services

Nicholas A. Toumpas
Nicholas A. Toumpas
Commissioner

4/22/13
Date

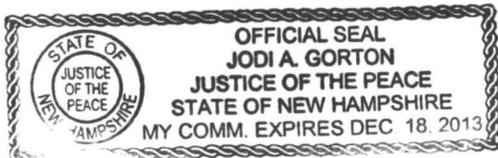
Child and Family Services of New Hampshire

Marilyn Mahoney
Marilyn Mahoney
Chair, Board of Trustees

Acknowledgement:
State of New Hampshire, County of Hillsborough on 4/22/13, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Jodi A. Gorton
Name and Title of Notary or Justice of the Peace





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

OFFICE OF THE ATTORNEY GENERAL

3 May 2013
Date

Jeanne P. Herrick
Name: Jeanne P. Herrick
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

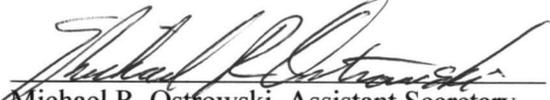
Name:
Title:

WITHOUT SEAL

CERTIFICATE OF VOTE

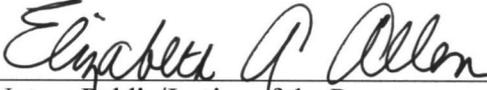
I, Michael R. Ostrowski, of Child and Family Services of NH, do hereby certify that:

1. I am the duly elected Assistant Secretary of Child and Family Services of NH;
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the corporation, duly held on March 26, 2013:
 RESOLVED: That this corporation enters into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, for the provision of Comprehensive Family Support Services.
 RESOLVED: That the Chair, Board of Trustees is hereby authorized on behalf of this corporation to enter into said contract with the State and to execute any and all documents, agreements, and other instruments; and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable, or appropriate. Marilyn Mahoney is the duly elected Chair, Board of Trustees of the corporation.
3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of April 22, 2013.
4. Marilyn Mahoney is the elected Chair, Board of Trustees of the Corporation.


Michael R. Ostrowski, Assistant Secretary

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 22nd day of April, 2013 by Michael R. Ostrowski


Notary Public/Justice of the Peace
My Commission Expires:



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

Division for Children, Youth and Families

**EXHIBIT B-1, Comprehensive Family Support Services
PERSONNEL DATA - Child and Family Services
State Fiscal Year 2014**

	Name	Title	Annual Salary	% of Time to Work on the Project	Project Amount Charged for SFY 2014 (7/1/13 - 6/30/14)
1	JoAnn Cobb	Program Director	\$ 62,900.00	5%	\$ -
2	Cheryl LeBel	Program Manager	\$ 41,863.00	10%	\$ 4,187.00
3	Lisa Bolduc	Program Supervisor	\$ 35,961.00	18%	\$ 6,603.00
4	Courtney Caulkins	Family Support Caseworker	\$ 24,591.00	100%	\$ 24,586.00
5	Cherie Carr	Family Support Caseworker	\$ 31,730.00	100%	\$ 26,980.00
6	TBA	Administrative Support	\$ 30,000.00	10%	\$ 2,500.00
7			\$ -		\$ -
8					
9					
	Total:				\$ 64,856.00


 Contractor Initials: _____
 Date: 4/22/13

**State of New Hampshire
Department of Health and Human Services
Division for Children, Youth and Families**

**EXHIBIT B-1, Comprehensive Family Support Services
PERSONNEL DATA - Child and Family Services
State Fiscal Year 2014**

	Name	Title	Annual Salary	% of Time to Work on the Project	Project Amount Charged for SFY 2014 (7/1/13 - 6/30/14)
1	JoAnn Cobb	Program Director	\$ 62,900.00	8%	\$ -
2	Cheryl LeBel	Program Manager	\$ 41,863.00	10%	\$ 4,187.00
3	Lisa Bolduc	Program Supervisor	\$ 35,961.00	13%	\$ 4,495.00
4	Cindy Travis	Family Support Caseworker	\$ 28,467.00	100%	\$ 29,320.00
5	Joan Valk	Family Support Caseworker	\$ 33,507.00	100%	\$ 26,807.00
6	TBA	Administrative Support	\$ 30,000.00	10%	\$ 3,000.00
7			\$ -		\$ -
8					
9					
		Total:			\$ 67,809.00

Contractor Initials: MTM
Date: 4/22/13

State of New Hampshire
Department of Health and Human Services
Division for Children, Youth and Families

EXHIBIT B-1, Comprehensive Family Support Services
PERSONNEL DATA - Child and Family Services
State Fiscal Year 2014

	Name	Title	Annual Salary	% of Time to Work on the Project	Project Amount Charged for SFY 2014 (7/1/13 - 6/30/14)
1	JoAnn Cobb	Program Director	\$ 62,900.00	3%	\$ 1,572.00
2	Cheryl LeBel	Program Manager	\$ 41,863.00	10%	\$ 6,281.00
3	Lisa Bolduc	Program Supervisor	\$ 35,961.00	10%	\$ 9,171.00
4	Sharon Snider-Muller	Family Support Caseworker	\$ 33,063.00	100%	\$ 33,072.00
5	Stacey Beeley	Family Support Caseworker	\$ 33,530.00	25%	\$ 8,382.00
6	TBA	Administrative Support	\$ 30,000.00	10%	\$ 3,000.00
7			\$ -		\$ -
8					
9					
		Total:			\$ 61,478.00

Contractor Initials: *MTa*
Date: *4/22/13*

**State of New Hampshire
Department of Health and Human Services
Division for Children, Youth and Families**

**EXHIBIT B-1, Comprehensive Family Support Services
PERSONNEL DATA - Child and Family Services
State Fiscal Year 2014**

	Name	Title	Annual Salary	% of Time to Work on the Project	Project Amount Charged for SFY 2014 (7/1/13 - 6/30/14)
1	JoAnn Cobb	Program Director	\$ 62,900.00	3%	\$ -
2	Cheryl LeBel	Program Manager	\$ 41,863.00	10%	\$ 4,187.00
3	Amy Finkle	Program Supervisor	\$ 36,278.00	88%	\$ 29,746.00
4	Ellen LaRose	Family Support Caseworker	\$ 30,461.00	100%	\$ 22,854.00
5	Vacant	Family Support Caseworker	\$ 5,495.00	100%	\$ 5,495.00
6	TBA	Administrative Support	\$ 30,000.00	8%	\$ 2,500.00
7			\$ -		\$ -
8					
9					
		Total:			\$ 64,782.00

Contractor Initials: *MTA*
Date: *4/22/13*

New Hampshire Department of Health and Human Services

Bidder/Program Name: Child and Family Services - Manchester

Budget Request for: CFSS-Manchester

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

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 62,356.00	\$ 2,500.00	\$ 64,856.00	\$ 12,729.00	\$ 77,585.00	See Exhibit B1 for detailed staffing data
2. Employee Benefits	\$ 17,160.00		\$ 17,160.00	\$ 3,360.00	\$ 20,520.00	
3. Consultants		\$ 1,214.00	\$ 1,214.00		\$ 1,214.00	Based on actual costs based on percent of program budget to total agency budget
4. Equipment:			\$ -		\$ -	
Rental			\$ -		\$ -	
Repair and Maintenance		\$ 873.00	\$ 873.00	\$ 2,000.00	\$ 2,873.00	Based on actual costs based on percent of program budget to total agency budget
Purchase/Depreciation		\$ 670.00	\$ 670.00		\$ 670.00	Based on actual costs based on percent of program budget to total agency budget
5. Supplies:			\$ -		\$ -	
Educational			\$ -		\$ -	
Office			\$ -		\$ -	
6. Travel			\$ -	\$ 3,500.00	\$ 3,500.00	
7. Occupancy		\$ 551.00	\$ 551.00	\$ 3,900.00	\$ 4,451.00	Based on actual costs based on percent of program budget to total agency budget
8. Current Expenses			\$ -		\$ -	
Telephone		\$ 284.00	\$ 284.00		\$ 284.00	Based on actual costs based on percent of program budget to total agency budget
Postage			\$ -		\$ -	
Subscriptions			\$ -		\$ -	
Audit and Legal			\$ -	\$ 750.00	\$ 750.00	
Insurance			\$ -		\$ -	
Board Expenses			\$ -		\$ -	
9. Software			\$ -		\$ -	
10. Marketing/Communications			\$ -		\$ -	
11. Staff Education and Training			\$ -	\$ 1,000.00	\$ 1,000.00	
12. Subcontracts/Agreements			\$ -		\$ -	
13. Other (specific details mandatory):		\$ 1,690.05	\$ 1,690.05	\$ 5,000.00	\$ 6,690.05	Based on actual costs based on percent of program budget to total agency budget
TOTAL	\$ 79,516.00	\$ 7,782.05	\$ 87,298.05	\$ 32,239.00	\$ 119,537.05	

Indirect As A Percent of Direct 0.097867725

Contractor Initials: MTU

Date: 4/22/13

New Hampshire Department of Health and Human Services

Bidder/Program Name: Child and Family Services - Concord

Budget Request for: CFSS-Concord

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

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 64,809.00	\$ 3,000.00	\$ 67,809.00	\$ 14,669.00	\$ 82,478.00	See Exhibit B1 for detailed staffing data
2. Employee Benefits	\$ 17,742.00		\$ 17,742.00	\$ 3,864.00	\$ 21,606.00	
3. Consultants	\$ 275.00	\$ 1,214.00	\$ 1,489.00		\$ 1,489.00	Based on actual costs based on percent of program budget to total agency budget
4. Equipment:			\$ -		\$ -	
Rental			\$ -		\$ -	
Repair and Maintenance		\$ 873.00	\$ 873.00	\$ 2,000.00	\$ 2,873.00	Based on actual costs based on percent of program budget to total agency budget
Purchase/Depreciation		\$ 670.00	\$ 670.00		\$ 670.00	Based on actual costs based on percent of program budget to total agency budget
5. Supplies:			\$ -		\$ -	
Educational			\$ -		\$ -	
Office	\$ 300.00		\$ 300.00		\$ 300.00	
6. Travel			\$ -	\$ 3,000.00	\$ 3,000.00	
7. Occupancy	\$ 1,625.00	\$ 551.00	\$ 2,176.00	\$ 3,000.00	\$ 5,176.00	Based on actual costs based on percent of program budget to total agency budget
8. Current Expenses			\$ -		\$ -	
Telephone	\$ 1,700.00	\$ 284.00	\$ 1,984.00		\$ 1,984.00	Based on actual costs based on percent of program budget to total agency budget
Postage	\$ 200.00		\$ 200.00		\$ 200.00	
Subscriptions			\$ -		\$ -	
Audit and Legal			\$ -	\$ 750.00	\$ 750.00	
Insurance	\$ 600.00		\$ 600.00		\$ 600.00	
Board Expenses			\$ -		\$ -	
9. Software			\$ -		\$ -	
10. Marketing/Communications	\$ 300.00		\$ 300.00		\$ 300.00	
11. Staff Education and Training	\$ 1,000.00		\$ 1,000.00		\$ 1,000.00	
12. Subcontracts/Agreements			\$ -		\$ -	
13. Other (specific details mandatory):	\$ 500.00	\$ 2,128.24	\$ 2,628.24	\$ 6,000.00	\$ 8,628.24	Based on actual costs based on percent of program budget to total agency budget
TOTAL	\$ 89,051.00	\$ 8,720.24	\$ 97,771.24	\$ 33,283.00	\$ 131,054.24	

Indirect As A Percent of Direct 0.097924111

Contractor Initials: MTM

Date: 4/22/13

New Hampshire Department of Health and Human Services

Bidder/Program Name: Child and Family Services - Nashua

Budget Request for: CFSS-Nashua

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

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 58,478.00	\$ 3,000.00	\$ 61,478.00	\$ 4,822.00	\$ 66,300.00	See Exhibit B1 for detailed staffing data
2. Employee Benefits	\$ 15,495.00		\$ 15,495.00	\$ 1,197.00	\$ 16,692.00	
3. Consultants	\$ 204.00	\$ 1,214.00	\$ 1,418.00		\$ 1,418.00	Based on actual costs based on percent of program budget to total agency budget
4. Equipment:			\$ -		\$ -	
Rental			\$ -		\$ -	
Repair and Maintenance		\$ 873.00	\$ 873.00	\$ 2,000.00	\$ 2,873.00	Based on actual costs based on percent of program budget to total agency budget
Purchase/Depreciation		\$ 670.00	\$ 670.00		\$ 670.00	Based on actual costs based on percent of program budget to total agency budget
5. Supplies:			\$ -		\$ -	
Educational			\$ -		\$ -	
Office			\$ -	\$ 600.00	\$ 600.00	
6. Travel			\$ -	\$ 1,000.00	\$ 1,000.00	
7. Occupancy		\$ 551.00	\$ 551.00	\$ 3,900.00	\$ 4,451.00	Based on actual costs based on percent of program budget to total agency budget
8. Current Expenses			\$ -		\$ -	
Telephone		\$ 284.00	\$ 284.00	\$ 3,000.00	\$ 3,284.00	Based on actual costs based on percent of program budget to total agency budget
Postage	\$ 100.00		\$ 100.00		\$ 100.00	
Subscriptions			\$ -		\$ -	
Audit and Legal			\$ -	\$ 750.00	\$ 750.00	
Insurance	\$ 200.00		\$ 200.00		\$ 200.00	
Board Expenses			\$ -		\$ -	
9. Software			\$ -		\$ -	
10. Marketing/Communications	\$ 200.00		\$ 200.00		\$ 200.00	
11. Staff Education and Training	\$ 200.00		\$ 200.00	\$ 1,000.00	\$ 1,200.00	
12. Subcontracts/Agreements			\$ -		\$ -	
13. Other (specific details mandatory):	\$ 500.00	\$ 1,220.30	\$ 1,720.30	\$ 9,500.00	\$ 11,220.30	Based on actual costs based on percent of program budget to total agency budget
TOTAL	\$ 75,377.00	\$ 7,812.30	\$ 83,189.30	\$ 27,769.00	\$ 110,958.30	

Indirect As A Percent of Direct 0.103643021

Contractor Initials: MTU

Date: 4/22/13

New Hampshire Department of Health and Human Services

Bidder/Program Name: Child and Family Services - Laconia

Budget Request for: CFSS-Laconia

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

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 62,282.00	\$ 2,500.00	\$ 64,782.00	\$ 11,352.00	\$ 76,134.00	See Exhibit B1 for detailed staffing data
2. Employee Benefits	\$ 17,227.00		\$ 17,227.00	\$ 2,939.00	\$ 20,166.00	
3. Consultants	\$ 225.00	\$ 1,214.00	\$ 1,439.00		\$ 1,439.00	Based on actual costs based on percent of program budget to total agency budget
4. Equipment:			\$ -		\$ -	
Rental			\$ -		\$ -	
Repair and Maintenance		\$ 873.00	\$ 873.00	\$ 2,000.00	\$ 2,873.00	Based on actual costs based on percent of program budget to total agency budget
Purchase/Depreciation		\$ 670.00	\$ 670.00		\$ 670.00	Based on actual costs based on percent of program budget to total agency budget
5. Supplies:			\$ -		\$ -	
Educational			\$ -		\$ -	
Office			\$ -	\$ 100.00	\$ 100.00	
6. Travel	\$ 1,000.00		\$ 1,000.00	\$ 2,500.00	\$ 3,500.00	
7. Occupancy		\$ 551.00	\$ 551.00	\$ 1,800.00	\$ 2,351.00	Based on actual costs based on percent of program budget to total agency budget
8. Current Expenses			\$ -		\$ -	
Telephone		\$ 284.00	\$ 284.00		\$ 284.00	Based on actual costs based on percent of program budget to total agency budget
Postage			\$ -		\$ -	
Subscriptions			\$ -		\$ -	
Audit and Legal			\$ -	\$ 750.00	\$ 750.00	
Insurance			\$ -		\$ -	
Board Expenses			\$ -		\$ -	
9. Software			\$ -		\$ -	
10. Marketing/Communications			\$ -		\$ -	
11. Staff Education and Training			\$ -	\$ 1,000.00	\$ 1,000.00	
12. Subcontracts/Agreements	\$ 500.00		\$ 500.00		\$ 500.00	
13. Other (specific details mandatory):		\$ 2,095.14	\$ 2,095.14	\$ 7,500.00	\$ 9,595.14	Based on actual costs based on percent of program budget to total agency budget
TOTAL	\$ 81,234.00	\$ 8,187.14	\$ 89,421.14	\$ 29,941.00	\$ 119,362.14	

Indirect As A Percent of Direct 0.100784647

Contractor Initials: MTM

Date: 4/22/13

**CHILD AND FAMILY SERVICES
OF NEW HAMPSHIRE**

FINANCIAL STATEMENTS

DECEMBER 31, 2012

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HESSION & PARE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

62 Stark Street, Manchester, New Hampshire 03101
603-669-5477 FAX 603-669-0197

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Child and Family Services of New Hampshire
Manchester, New Hampshire

Report on the Financial Statements

We have audited the accompanying consolidated statements of Child and Family Services of New Hampshire (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

The Board of Trustees
Child and Family Services of New Hampshire

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Child and Family Services of New Hampshire as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2013, on our consideration of Child and Family Services of New Hampshire'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* in considering Child and Family Services of New Hampshire's internal control over financial reporting and compliance.

March 20, 2013

Hession & Park, P.C.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2012 and 2011

	ASSETS	
	2012	2011
Assets		
Cash and cash equivalents	\$ 255,465	\$ 203,538
Cash restricted for payment of long-term debt	30,000	25,000
Accounts receivable, less allowance for doubtful accounts of \$7,505 in 2012 and \$8,205 in 2011	949,727	980,874
Prepaid expenses	82,377	62,226
Deferred expenses	24,843	42,372
Bequest receivable	50,000	-
Beneficial interest in funds held by others	1,736,855	1,646,126
Property, plant and equipment, net	7,316,090	7,602,229
Investments	14,955,171	14,095,239
Total assets	<u>\$ 25,400,528</u>	<u>\$ 24,657,604</u>

LIABILITIES AND NET ASSETS

Liabilities		
Line of credit	\$ -	\$ 124,535
Accounts payable	130,627	109,592
Accrued vacation	260,070	267,080
Accrued wages and related expenses	261,289	259,032
Annuities payable	1,487	2,612
Mark to market interest rate swap liability	1,558,953	1,660,401
Long-term debt	5,432,682	5,552,679
Total liabilities	<u>7,645,108</u>	<u>7,975,931</u>
Net assets		
Unrestricted	360,326	(16,618)
Designated by Board	12,114,920	11,391,434
Temporarily restricted	2,366,851	2,619,139
Permanently restricted	2,913,323	2,687,718
Total net assets	<u>17,755,420</u>	<u>16,681,673</u>
Total liabilities and net assets	<u>\$ 25,400,528</u>	<u>\$ 24,657,604</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

Year Ended December 31, 2012

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Public support and revenue				
Public support				
Government and other grants and fees	\$ 8,236,067	\$ -	\$ -	\$ 8,236,067
Contributions	267,930	-	159,275	427,205
Foundations and trusts	602,049	-	-	602,049
United Way	304,996	-	-	304,996
Special events (net of direct costs of \$103,656)	198,954	-	-	198,954
Net assets released from restriction for operating activities	276,688	(252,288)	(24,400)	-
Total public support	<u>9,886,684</u>	<u>(252,288)</u>	<u>134,875</u>	<u>9,769,271</u>
Revenue				
Program service fees	1,823,706	-	-	1,823,706
Endowment transfer to support operations	856,719	-	-	856,719
In-kind donations	147,429	-	-	147,429
Rents	15,207	-	-	15,207
Income from HEFA trust	8,410	-	-	8,410
Total other revenue	<u>2,851,471</u>	<u>-</u>	<u>-</u>	<u>2,851,471</u>
Total public support and revenue	<u>12,738,155</u>	<u>(252,288)</u>	<u>134,875</u>	<u>12,620,742</u>
Expenses				
Program services				
Family counseling	1,047,925	-	-	1,047,925
Teen and youth	1,900,608	-	-	1,900,608
Child abuse treatment	1,984,898	-	-	1,984,898
Child abuse prevention and family strengthening	3,270,527	-	-	3,270,527
Early intervention	403,047	-	-	403,047
Homecare	1,736,040	-	-	1,736,040
Residential services	556,649	-	-	556,649
Adoptions and pregnancy counseling	152,139	-	-	152,139
Child advocacy	129,760	-	-	129,760
Summer camp	274,385	-	-	274,385
Total program services	<u>11,455,978</u>	<u>-</u>	<u>-</u>	<u>11,455,978</u>
Supporting services				
Public relations and financial development	452,551	-	-	452,551
Management and general	798,942	-	-	798,942
Total supporting services	<u>1,251,493</u>	<u>-</u>	<u>-</u>	<u>1,251,493</u>
Total expenses	<u>12,707,471</u>	<u>-</u>	<u>-</u>	<u>12,707,471</u>
Increase (decrease) in net assets before non-operating gains and losses	<u>30,684</u>	<u>(252,288)</u>	<u>134,875</u>	<u>(86,729)</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES (concluded)

Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Increase (decrease) in net assets before non-operating gains and losses	\$ 30,684	\$ (252,288)	\$ 134,875	\$ (86,729)
Non-operating gains and losses				
Investment gain reduced by the portion of cumulative net appreciation designated for current operations	968,298	-	-	968,298
Unrealized gain on mark to market interest rate swap	101,448	-	-	101,448
Change in beneficial interest in funds held by others	-	-	90,730	90,730
Increase (decrease) in net assets	1,100,430	(252,288)	225,605	1,073,747
Net assets, beginning of year	11,374,816	2,619,139	2,687,718	16,681,673
Net assets, end of year	<u>\$ 12,475,246</u>	<u>\$ 2,366,851</u>	<u>\$ 2,913,323</u>	<u>\$ 17,755,420</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

Year Ended December 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue				
Public support				
Government and other grants and fees	\$ 7,986,444	\$ -	\$ -	\$ 7,986,444
Contributions	401,525	-	211,401	612,926
Foundations and trusts	589,090	-	-	589,090
United Way	343,962	-	-	343,962
Special events (net of direct costs of \$101,186)	159,211	-	-	159,211
Net assets released from restriction for operating activities	118,762	(118,762)	-	-
Total public support	<u>9,598,994</u>	<u>(118,762)</u>	<u>211,401</u>	<u>9,691,633</u>
Revenue				
Program service fees	1,673,422	-	-	1,673,422
Endowment transfer to support operations	663,354	-	-	663,354
In-kind donations	221,620	-	-	221,620
Rents	3,626	-	-	3,626
Income from HEFA trust	8,145	-	-	8,145
Total other revenue	<u>2,570,167</u>	<u>-</u>	<u>-</u>	<u>2,570,167</u>
Total public support and revenue	<u>12,169,161</u>	<u>(118,762)</u>	<u>211,401</u>	<u>12,261,800</u>
Expenses				
Program services				
Family counseling	1,117,703	-	-	1,117,703
Teen and youth	2,278,597	-	-	2,278,597
Child abuse treatment	1,644,015	-	-	1,644,015
Child abuse prevention and family strengthening	2,768,202	-	-	2,768,202
Early intervention	408,898	-	-	408,898
Homecare	1,539,865	-	-	1,539,865
Residential services	592,487	-	-	592,487
Adoptions and pregnancy counseling	216,263	-	-	216,263
Child advocacy	211,588	-	-	211,588
Summer camp	227,957	-	-	227,957
Total program services	<u>11,005,575</u>	<u>-</u>	<u>-</u>	<u>11,005,575</u>
Supporting services				
Public relations and financial development	427,405	-	-	427,405
Management and general	785,600	-	-	785,600
Total supporting services	<u>1,213,005</u>	<u>-</u>	<u>-</u>	<u>1,213,005</u>
Total expenses	<u>12,218,580</u>	<u>-</u>	<u>-</u>	<u>12,218,580</u>
Increase (decrease) in net assets before non-operating gains and losses	<u>(49,419)</u>	<u>(118,762)</u>	<u>211,401</u>	<u>43,220</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES (concluded)

Year Ended December 31, 2011

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Increase (decrease) in net assets before non-operating gains and losses	\$ (49,419)	\$ (118,762)	\$ 211,401	\$ 43,220
Non-operating gains and losses				
Investment loss reduced by the portion of cumulative net appreciation designated for current operations	(951,952)	-	-	(951,952)
Unrealized (loss) on mark to market interest rate swap	(748,755)	-	-	(748,755)
Change in beneficial interest in funds held by others	-	-	(130,908)	(130,908)
Increase (decrease) in net assets	(1,750,126)	(118,762)	80,493	(1,788,395)
Net assets, beginning of year	13,124,942	2,737,901	2,607,225	18,470,068
Net assets, end of year	<u>\$ 11,374,816</u>	<u>\$ 2,619,139</u>	<u>\$ 2,687,718</u>	<u>\$ 16,681,673</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENTS OF CASH FLOWS

Year Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Change in net assets	\$ 1,073,747	\$ (1,788,395)
Adjustments to reconcile change to net cash provided (used) by operating activities		
Depreciation	369,616	373,667
Reinvested income	(310,652)	(392,867)
Realized (gain) on sale of investments	(102,398)	(356,631)
Unrealized (gain) loss on investments	(1,463,682)	976,443
Unrealized (gain) loss on mark to market interest rate swap	(101,448)	748,755
Amortization of NHHFA notes payable	18,426	17,382
(Increase) in restricted cash	(5,000)	-
(Increase) decrease in accounts receivable	31,147	(199,831)
(Increase) in prepaid expenses	(20,151)	(41,023)
(Increase) decrease in deferred expenses	17,529	(591)
(Increase) in bequest receivable	(50,000)	-
(Increase) decrease in beneficial interests in trusts	(90,729)	65,434
(Decrease) in deferred contract revenue	-	(74,919)
Increase (decrease) in accounts payable	21,035	(22,578)
Increase (decrease) in accrued vacation and expenses	(4,753)	23,578
	<u>(617,313)</u>	<u>(671,576)</u>
Net cash (used in) operating activities		
Cash flows used in investing activities		
Cash paid for land, buildings and equipment	<u>(83,477)</u>	<u>(75,122)</u>
Cash flows from financing activities		
Contribution restricted to endowment	(159,275)	(210,501)
Proceeds from appropriation of endowment	1,151,675	749,219
Proceeds from release of restricted endowment	24,400	-
Net cash advance (payment) on line of credit	(124,535)	124,535
Cash payments on long-term debt	(138,423)	(88,962)
Cash paid on annuity	(1,125)	(1,125)
	<u>752,717</u>	<u>573,166</u>
Net cash provided by financing activities		
Increase (decrease) increase in cash and cash equivalents	51,927	(173,532)
Cash and cash equivalents, beginning of year	<u>203,538</u>	<u>377,070</u>
Cash and cash equivalents, end of year	<u>\$ 255,465</u>	<u>\$ 203,538</u>
Supplemental disclosure of cash flow information		
Interest paid in cash	<u>\$ 332,900</u>	<u>\$ 337,341</u>
Amortization of 2007 NHHFA note payable	<u>\$ 9,786</u>	<u>\$ 9,232</u>
Amortization of 2005 NHHFA note payable	<u>\$ 8,640</u>	<u>\$ 8,150</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2012

	Family Counseling	Teen and Youth	Child Abuse Treatment	Child Abuse Prevention and Family Strengthening	Early Intervention	Homecare	Residential Services	Pregnancy Counseling	Adoptions and Child Advocacy	Summer Camp	Financial Development	Management and General	Total
Salaries	\$ 635,022	\$ 980,976	\$ 1,018,969	\$ 1,850,539	\$ 223,647	\$ 1,263,462	\$ 324,070	\$ 86,153	\$ 90,880	\$ 90,924	\$ 226,793	\$ 567,760	\$ 7,359,195
Employee benefits	62,019	154,674	109,230	215,323	38,382	55,487	55,452	19,627	8,535	6,471	30,140	64,858	820,198
Payroll related costs	65,661	98,404	106,101	204,609	21,182	142,134	35,232	7,405	7,506	11,192	18,632	45,821	763,879
Assistance to individuals	29,206	177,457	72,615	214,692	11	4,578	18,265	730	2	49,812	95,100	4	662,472
Travel and transportation	24,096	52,934	79,841	388,858	20,320	50,256	10,100	2,666	758	4,451	3,446	186	637,912
Professional fees	81,389	60,976	161,099	24,117	46,216	17,640	19,001	9,972	376	20,588	9,412	29,116	479,902
Occupancy	43,459	82,619	43,816	118,572	10,716	39,261	19,245	4,149	2,496	41,108	8,430	3,778	417,649
Interest	32,624	56,590	111,426	53,916	12,732	56,106	16,575	4,685	4,176	8,299	-	2,264	359,393
Communications	15,213	41,282	30,509	61,441	7,981	17,712	7,302	5,184	2,429	4,463	13,447	1,649	208,612
Rental and equipment maintenance	8,342	19,195	30,641	13,277	2,474	3,117	4,175	2,257	1,180	2,842	357	36,211	124,068
Supplies	3,968	23,377	6,917	17,635	1,275	8,731	8,046	677	390	9,948	3,212	3,977	88,153
Printing and publications	3,745	2,365	8,812	18,551	1,070	5,753	600	2,111	1,522	4,884	34,547	1,233	85,193
Insurance	4,211	11,741	9,200	15,874	2,367	6,979	4,264	790	535	544	1,679	5,442	63,626
Miscellaneous	3,304	8,353	10,688	6,862	1,499	12,628	2,903	251	308	1,377	1,687	2,921	52,781
Conferences and meetings	2,858	9,334	12,963	5,721	672	913	2,105	246	3,280	4,027	2,986	6,835	51,940
Membership dues	332	1,507	2,737	1,865	269	941	1,972	86	1,146	152	1,015	3,431	15,453
Total expenses before depreciation and in-kind donations	1,015,449	1,781,784	1,815,564	3,211,852	390,813	1,685,698	529,307	146,989	125,519	261,082	450,883	775,486	12,190,426
Depreciation	32,476	58,623	103,499	51,970	12,234	50,342	21,530	5,150	4,241	11,377	-	18,174	369,616
In-kind donations	-	60,201	65,835	6,705	-	-	5,812	-	-	1,926	1,668	5,282	147,429
Total functional expenses	\$ 1,047,925	\$ 1,900,608	\$ 1,984,898	\$ 3,270,527	\$ 403,047	\$ 1,736,040	\$ 556,649	\$ 152,139	\$ 129,760	\$ 274,385	\$ 452,551	\$ 798,942	\$ 12,707,471

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2011

	Family Counseling	Teen and Youth	Child Abuse Treatment	Child Abuse Prevention and Family Strengthening	Early Intervention	Homecare	Residential Services	Adoptions and Pregnancy Counseling	Child Advocacy	Summer Camp	Financial Development	Management and General	Total
Salaries	\$ 658,368	\$ 1,212,882	\$ 918,542	\$ 1,453,036	\$ 235,855	\$ 1,131,447	\$ 341,041	\$ 122,574	\$ 119,515	\$ 73,392	\$ 225,280	\$ 544,150	\$ 7,036,082
Employee benefits	71,353	201,785	97,008	180,527	43,324	54,955	51,572	26,090	16,462	4,077	29,095	51,451	829,699
Assistance to individuals	36,252	198,916	77,431	198,213	(5)	11,333	34,632	10,680	(3)	36,982	72,465	-	676,896
Payroll related costs	62,571	112,312	84,241	142,947	20,673	111,478	31,378	10,001	10,248	6,416	18,495	38,514	649,274
Travel and transportation	37,610	59,117	60,798	301,668	21,259	38,296	10,903	3,699	4,773	6,372	2,914	591	548,000
Professional fees	97,102	59,390	76,426	40,191	31,700	19,304	21,431	9,121	26,899	15,237	13,172	36,872	446,845
Occupancy	28,251	80,945	52,194	95,526	9,646	27,681	22,510	5,020	3,327	49,799	7,849	25,537	408,285
Interest	35,501	74,595	95,914	51,737	13,548	50,508	18,107	7,072	7,070	7,062	-	2,193	363,307
Communications	16,346	45,197	28,859	59,657	7,557	16,838	8,008	6,058	3,511	3,867	17,668	2,521	216,087
Rental and equipment maintenance	8,031	17,378	11,256	11,149	3,971	3,054	6,214	2,993	1,137	1,553	-	30,605	97,341
Supplies	6,222	26,186	14,747	14,253	2,018	7,100	8,020	1,076	622	2,509	3,169	6,971	92,893
Printing and publications	10,786	2,288	9,653	4,365	1,266	9,917	2,991	(10)	852	4,542	31,523	1,223	79,396
Conferences and meetings	6,663	13,428	10,227	5,248	673	691	1,634	2,432	1,782	3,307	2,266	12,221	60,572
Insurance	4,565	11,771	6,952	14,575	1,286	4,831	4,434	918	640	376	1,274	4,609	56,231
Miscellaneous	1,448	4,631	6,518	10,690	769	5,105	1,624	1,119	6,684	680	831	2,291	42,390
Membership dues	658	3,474	1,666	3,033	217	931	1,778	160	1,161	277	1,392	5,248	19,995
Total expenses before depreciation and in-kind donations	1,081,727	2,124,295	1,552,432	2,586,815	395,757	1,493,469	566,277	209,003	204,680	216,448	427,393	764,997	11,623,293
Depreciation	35,387	75,066	91,082	50,671	13,141	46,396	21,419	7,260	6,908	10,307	-	16,030	373,667
In-kind donations	589	79,236	501	130,716	-	-	4,791	-	-	1,202	12	4,573	221,620
Total functional expenses	\$ 1,117,703	\$ 2,278,597	\$ 1,644,015	\$ 2,768,202	\$ 408,898	\$ 1,539,865	\$ 592,487	\$ 216,263	\$ 211,588	\$ 227,957	\$ 427,405	\$ 785,600	\$ 12,218,580

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 1. NATURE OF ACTIVITIES

Child and Family Services of New Hampshire (the "Organization") operates as a voluntary, non-sectarian, non-profit organization located throughout the State of New Hampshire providing direct social services for families and children. The Organization's major source of revenue is derived from government and other grant income.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis and in accordance with the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification (ASC) 958-205 and subsections.

This Topic establishes standards for general-purpose external financial statements of not-for-profit organizations, including a statement of financial position, a statement of activities and a statement of cash flows. This Topic further requires classification of net assets and its revenues, expenses, gains and losses into three categories, based on the existence or absence of externally imposed restrictions. The categories, unrestricted, temporarily restricted and permanently restricted net assets are defined as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted – Net assets whose use is limited by law or donor-imposed stipulations that will either expire with the passage of time or be fulfilled by actions of the Organization. It also includes the accumulated appreciation related to permanently restricted endowment gifts, which is a requirement of FASB ASC 958-205-45.

Permanently Restricted – Reflects the historical cost of gifts (and in certain circumstances, the earnings from those gifts), subject to donor-imposed stipulations, which require the corpus to be invested in perpetuity to produce income for general or specific purposes. Permanent restricted net assets also include the fair value of the Organization's beneficial interest in funds held by others.

Principles of consolidation

The financial statements include accounts of the Organization and Child and Family Realty Corporation, a commonly controlled organization. All inter-organization transactions have been eliminated.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

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

Income taxes

The Organization applied for and has been granted recognition of exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986. Section 501(c)(3) of the Code provides for the exemption of organizations that are organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholders or individuals. The Organization had no unrelated business income at December 31, 2012 and 2011. Accordingly, no provision for income taxes has been recorded. The income tax filings for the tax years before 2008 are no longer subject to examination by federal and state taxing authorities.

Cash and cash equivalents

For financial statement purposes, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Temporary cash investments held in the investment portfolio are excluded from cash and cash equivalents.

Cash restricted for payment of long-term debt

Per the terms of the Series 2007 Bond, which included a refinancing of Series 1999 debt, the Organization deposited \$1,056,089 at December 31, 2008 to an escrow fund in order to pay off the Series 1999 Bonds. This payment took place during January 2009. At December 31, 2012 and 2011, the balance of this escrow fund was \$30,000.

Bond refinance costs

The Series 2007 bond was refinanced in 2009. Loan costs of \$39,250 associated with the refinancing are being amortized over the initial five year term of the agreement.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable and revenue

Accounts receivable is recognized when qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget Circular A-133 and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grants or reductions of future grant awards. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

Allowance for doubtful accounts

The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Organization's estimate is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that the Organization's estimate of the allowance for doubtful accounts will change. At December 31, 2012 and 2011, accounts receivable are presented net of an allowance for doubtful accounts of \$7,505 and \$8,205, respectively.

Property, plant and equipment

Property, plant and equipment are recorded at cost or, in the case of donated assets, at fair market value on the date received. Any such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions over the useful life of the asset. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Major additions and improvements of \$1,000 or more are capitalized, while ordinary maintenance and repairs are charged to expense as incurred. The cost and accumulated depreciation of assets sold or retired are removed from the accounts, and any gains or losses are reflected in the statement of activities.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (concluded)

Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	15-50 years
Furniture and equipment	5-10 years
Leasehold improvements	10 years
Vehicles	5 years

Investments

The Organization accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments with readily determinable values and all investments in debt securities are stated at their fair values in the statement of financial position. Investments without readily determinable fair values are stated at cost. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Periodically, management reviews investments for which the market value has fallen significantly below cost and recognizes impairment losses where they believe these declines are other-than-temporary.

Annuities

Certain gifts require that the Organization pay the donor a predetermined amount during the donor's lifetime. Such gifts are recorded as revenue when received and the present value of the future amount payable is credited to a liability account. Periodically, an adjustment is made to annuities payable to record the actuarial income or expense due to the computation of the liability based upon the revised life expectancies.

Contributions and grants

In accordance with the Not-for-Profit Entities Topic of the ASC 958-605 and subsections, contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and/or nature of any donor/grantor restrictions. Contributions and grants restricted for a specific purpose are reported as temporarily restricted support and are then reclassified to unrestricted net assets upon satisfaction of those restrictions. If the restrictions on contributions and grants are satisfied in the same fiscal period in which they are received, then management has elected to classify them as unrestricted for reporting purposes.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Donated materials and services

Donated materials and equipment are reflected in the accompanying statements at their estimated fair values at date of receipt. A substantial number of volunteers have donated significant amounts of time to Child and Family Services of New Hampshire program services; however, the value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition.

Functional allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 3. FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.

Level 2 inputs consist of quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or observable inputs other than quoted market prices.

Level 3 inputs consist of inputs that are unobservable and significant to the fair value measurement and have the lowest priority.

The Organization uses appropriate valuation techniques based on available inputs to measure the fair value of its investments. An asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques must maximize the use of observable inputs and minimize the use of unobservable inputs.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

Note 4. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following:

	<u>2012</u>	<u>2011</u>
Grants receivable	\$ 697,348	\$ 659,227
Fees for services	<u>259,884</u>	<u>329,852</u>
	957,232	989,079
Less allowance for uncollectible accounts	<u>(7,505)</u>	<u>(8,205)</u>
Total	<u>\$ 949,727</u>	<u>\$ 980,874</u>

Note 5. BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS

The Organization is the sole beneficiary of three funds that are established at the New Hampshire Charitable Foundation (NHCF). One of the funds was established in 2005. Income from the funds is to provide assistance to children attending Camp Spaulding and for capital improvements to the camp. The fund resolution provides that distributions from the funds can be made at the discretion of the NHCF Board of Directors; however, the Organization has received distributions from the funds of an amount equal to approximately 5% of the average market value of the fund over the last five years. Excess earnings, if any, are reinvested.

At December 31, 2012 and 2011, the fair market value of the funds, which approximates the present value of future benefits expected to be received, was \$751,523 and \$706,317, respectively. The Organization received \$30,214 and \$32,695 from the funds in 2012 and 2011, respectively.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 5. BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS (concluded)

In addition, the Organization has a split-interest in three charitable remainder trusts. The assets are held in trust by banks as permanent trustees of the trusts. The fair value of these beneficial interests is determined by applying the Organization's percentage interest to the fair value of the trust assets as reported by the trustee.

<u>Trust</u>	<u>Percentage Interest</u>	<u>2012</u>	<u>2011</u>
Greenleaf	100%	\$ 382,039	\$ 362,040
Spaulding	100%	329,237	312,453
Cogswell	50%	<u>274,056</u>	<u>265,316</u>
Total		<u>\$ 985,332</u>	<u>\$ 939,809</u>

Income distributed by these trusts was \$43,342 and \$40,002 in 2012 and 2011, respectively.

Beneficial interest in funds held by others is reported at its fair value, which is estimated as the present value of expected future cash inflows on a recurring basis. As discussed in Note 3, the valuation technique used by the Organization is a level 3 measure because there are no observable market transactions.

Changes in fair value of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are comprised of the following:

	<u>Beneficial Interest in Funds Held by Others</u>
Balance at December 31, 2010	\$ 1,711,560
Contribution	65,474
Change in value of beneficial interest	<u>(130,908)</u>
Balance at December 31, 2011	1,646,126
Change in value of beneficial interest	<u>90,729</u>
Balance at December 31, 2012	<u>\$ 1,736,855</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	<u>2012</u>	<u>2011</u>
Land	\$ 1,144,949	\$ 1,144,949
Buildings and improvements	8,540,136	8,504,704
Furniture and equipment	1,864,695	1,855,844
Vehicles	128,606	163,794
Leasehold improvements	66,783	66,783
Software	<u>168,608</u>	<u>147,015</u>
	11,913,777	11,883,089
Less accumulated depreciation	<u>(4,597,687)</u>	<u>(4,280,860)</u>
Property, plant and equipment, net	<u>\$ 7,316,090</u>	<u>\$ 7,602,229</u>

Note 7. INVESTMENTS

Investments consist of the following:

	<u>2012</u>		<u>2011</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Domestic equities	\$ 5,378,589	\$ 6,563,094	\$ 5,410,122	\$ 5,864,679
International equities	3,858,629	3,891,869	3,794,526	3,278,319
Fixed income securities	1,988,704	2,207,774	2,422,615	2,632,737
Inflation hedging	1,768,387	1,883,898	2,221,542	2,038,106
Cash and equivalents	<u>408,536</u>	<u>408,536</u>	<u>281,398</u>	<u>281,398</u>
Total	<u>\$ 13,402,845</u>	<u>\$ 14,955,171</u>	<u>\$ 14,130,203</u>	<u>\$ 14,095,239</u>

Under the terms of a line of credit agreement with a bank, the Organization has agreed not to pledge these assets as security on any other debt.

During 2009, the Organization requested a full redemption of its investment in the limited partnership. The limited partnership acknowledged receipt of the request, but noted that redemptions from the fund were suspended as of the year ended December 31, 2009. During 2010, the limited partnership had formally notified the Organization that all outstanding redemption requests will be honored pro rata based on the redeeming investors' total investment in the Fund relative to the total of all redeeming investors' investment in the Fund. The amount redeemed for the year ended December 31, 2012 and 2011 was \$233,349 and \$689,085, respectively.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 7. INVESTMENTS (continued)

Investment return is summarized as follows:

	<u>2012</u>	<u>2011</u>
Interest and dividend income	\$ 310,652	\$ 392,867
Net realized and unrealized gain (loss)	<u>1,566,080</u>	<u>(619,812)</u>
Total investment gain (loss)	<u>\$ 1,876,732</u>	<u>\$ (226,945)</u>

Expenses relating to investment revenues, including management fees amounted to \$88,028 and \$100,173 for the years ended December 31, 2012 and 2011, respectively, and have been netted against investment revenues in the accompanying statements of activities.

The Organization's policy is to avail itself of a Board approved percentage of investment income for operations with any remaining interest, dividends, or appreciation reinvested. The spending policy approved by the Board of Trustees for 2012 was 6% of the average fair market value of all investments over the previous twelve quarters. The income recognized during the years ended December 31, 2012 and 2011 was \$856,719 and 663,354, respectively. The cash transferred to operations from investments during the years ended December 31, 2012 and 2011 was \$1,125,000 and \$680,000, respectively.

As discussed in Note 3 to these financial statements, the Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Organization's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of December 31, 2012. Level 2 is for investments measured using inputs such as quoted market prices for similar assets. Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 7. INVESTMENTS (concluded)

The following table sets forth by level, within the fair value hierarchy, the valuation techniques used to determine the fair value of the Foundation's marketable securities as follows:

	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
December 31, 2012				
Value on a recurring basis				
Marketable securities				
Domestic equities	\$ 6,563,094	\$ 6,563,094	\$ -	\$ -
International equities	3,891,869	3,891,869	-	-
Fixed income securities	2,207,774	-	2,207,774	-
Inflation hedging	<u>1,883,898</u>	<u>1,883,898</u>	<u>-</u>	<u>-</u>
Total marketable securities	<u>\$ 14,546,635</u>	<u>\$ 12,338,861</u>	<u>\$ 2,207,774</u>	<u>\$ -</u>
December 31, 2011				
Value on a recurring basis				
Marketable securities				
Domestic equities	\$ 5,864,679	\$ 5,864,679	\$ -	\$ -
International equities	3,278,319	3,278,319	-	-
Fixed income securities	2,632,737	-	2,632,737	-
Inflation hedging	<u>2,038,106</u>	<u>1,806,025</u>	<u>-</u>	<u>232,081</u>
Total marketable securities	<u>\$ 13,813,841</u>	<u>\$ 10,949,023</u>	<u>\$ 2,632,737</u>	<u>\$ 232,081</u>

Note 8. LINE OF CREDIT

The Organization has available a \$1,500,000 revolving line of credit agreement with Citizens Bank. The line of credit expires on June 30, 2013, unless extended. The line carries a variable rate of interest at the Wall Street Journal prime rate (3.25% at December 31, 2012), adjusted at each change in the index. At December 31, 2012, there was no balance due on the line of credit.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 9. LONG-TERM DEBT

	<u>2012</u>	<u>2011</u>
Obligation payable, original amount \$5,540,000, in monthly sinking fund installments, through January 1, 2038, plus fixed interest at 3.915% per annum paid to a counterparty to a swap agreement, plus variable rate interest paid to bondholders, minus variable rate interest received from the counterparty to a swap agreement. The debt is secured by the Organization's investments and gross receipts. In July 2009, the Organization converted this obligation to a bank purchase mode. Reference is made to Note 11.	\$ 5,075,000	\$ 5,185,000
Capital lease payable in monthly installments of \$4,036 including interest at 7.35%, through January 2012. The lease was for a phone system.	-	2,993
Capital lease payable in monthly installments of \$1,573 including interest at 2.92%, through October 2014. The lease is for a phone system.	32,169	49,828
Capital lease payable in monthly installments of \$777 through October 2012. The lease is for equipment.	-	7,771
Note payable to the New Hampshire Housing and Finance Authority dated June 7, 2005. The face amount of the note is \$550,000, does not require the payment of interest and is due in 30 years. Accordingly, the note has been recorded at its present value with interest imputed at 6.0%. The note is secured by real estate located in Dover, New Hampshire.	152,628	143,988

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 9. LONG-TERM DEBT (concluded)

Note payable to the New Hampshire Housing and Finance Authority dated May 22, 2007. The face amount of the note is \$700,000, does not require the payment of interest and is due in 30 years. Accordingly, the note has been recorded at its present value with interest imputed at 6.0%. The note is secured by real estate located in Manchester, New Hampshire.

	<u>172,885</u>	<u>163,099</u>
Total	5,432,682	5,552,679
Less current maturities	<u>(133,093)</u>	<u>(138,336)</u>
Long-term debt	<u>\$ 5,299,589</u>	<u>\$ 5,414,343</u>

Future maturities of long-term debt are as follows:

<u>Year ending</u> <u>December 31,</u>	<u>Amount</u>
2013	\$ 133,093
2014	129,162
2015	120,000
2016	130,000
2017	135,000
Thereafter	<u>4,785,427</u>
Total	<u>\$ 5,432,682</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 10. SERIES 2007 REVENUE BONDS

During 2007, the New Hampshire Health and Education Facilities Authorities (the "Authority") sold \$5,540,000 of its Revenue Bonds, Child and Family Services Issue, Series 2007, and loaned the proceeds of the bonds to the Organization to refund its Series 1999 Series Bonds and to finance certain improvements to the Organization's facilities. The Series 2007 Bonds were issued with a variable interest rate determined on a weekly basis. Prior to issuing the Bonds, the Organization entered into an interest rate swap agreement (the "Swap Agreement") with Citizens Bank of NH (the "Counterparty") for the life of the bond issue to hedge the interest rate risk associated with the Series 2007 Bonds. The interest rate swap agreement requires the Organization to pay the Counterparty, a fixed rate of 3.915%, in exchange, the Counterparty will pay the Organization a variable rate on the notional amount based on the 67% of one-month LIBOR. Counterparty payments to the Organization were intended to offset Organization payments of variable rate interest to bond holders. Counterparty credit worthiness and market variability can impact the variable rates received and paid by the Organization, with the potential of increasing Organization interest payments. As a result, the cost of the interest rate swap for 2012 and 2011 is added to interest expense in the statement of functional expense. The bonds mature in 2038 and can be repaid at any time.

The Organization is required to include the fair value of the swap in the statement of financial position, and annual changes, if any, in the fair value of the swap in the statement of activities. For example, during the bond's 30-year holding period, the annually calculated value of the swap will be reported as an asset if interest rates increase above those in effect on the date of the swap was entered into (and as an unrealized gain in the statement of activities), which will generally be indicative that the net fixed rate the Organization is paying on the swap is below market expectations of rates during the remaining term of the swap. The swap will be reported as a liability (and as an unrealized loss in the statement of activities) if interest rates decrease below those in effect on the date the swap was entered into which will generally be indicative that the net fixed rate the Organization is paying on the swap is above market expectations of rates during the remaining term of the swap. The annual accounting adjustments of value changes in the swap transaction are non-cash recognition requirements, the net effect of which will be zero at the end of the bond's 30-year term. The Organization recorded the swap liability position of approximately \$1,558,953 and \$1,660,401 at December 31, 2012 and 2011, respectively.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 10. SERIES 2007 REVENUE BONDS (concluded)

During 2009, there occurred a downgrading of the credit rating of the Counterparty to the letter of credit reimbursement agreement, which triggered a mandatory tender of the Series 2007 Bonds in whole and a temporary conversion of one hundred percent of the principal amount to a bank purchase mode under the terms of said letter of credit reimbursement agreement. Since it became evident that the credit markets would not soon return to normalcy, the Organization elected to convert the Series 2007 Bonds from a weekly rate mode to a bank purchase mode. This new bank purchase mode created a rate period in which the Series 2007 Bonds bear interest at the tax adjusted bank purchase rate of 68 percent of the sum of the adjusted period LIBOR (30 day) rate and 325 basis points. The bank purchase mode commenced on July 31, 2009 and expires on July 31, 2014; however, the expiration date may be extended by the Counterparty and the Organization has the option to convert back to the weekly rate mode.

The Series 2007 Bond documents require the Organization to comply with certain financial covenants. As of December 31, 2012, the Organization was in compliance with these covenants.

Note 11. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following specific program services:

	<u>2012</u>	<u>2011</u>
Deferred loan interest	\$ 924,488	\$ 942,912
Camp Spaulding	498,104	547,880
Camp Pavillion	298,676	306,925
Union Street	238,219	245,025
Teen and youth	114,939	226,649
Teen center	101,673	111,507
Child abuse prevention	96,432	106,979
Camp	52,483	42,353
Family counseling	29,455	8,620
Child abuse treatment	6,242	50,000
Homecare	<u>6,140</u>	<u>30,289</u>
Total	<u>\$ 2,366,851</u>	<u>\$ 2,619,139</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 12. PERMANENTLY RESTRICTED NET ASSETS

At December 31, 2012 and 2011, permanently restricted net assets of \$2,913,323 and \$2,687,718, respectively, are restricted to investments in perpetuity and for which income earned is expendable to support operations subject to certain restrictions. At December 31, 2012 and 2011, permanently restricted net assets include \$985,332 and \$939,809, respectively, in investments held in perpetual trusts.

Note 13. LEASES

The Organization leases office and counseling space located in various New Hampshire communities.

Future minimum lease payments due under these leases are as follows:

<u>Year</u> <u>Ending</u>	<u>Amount</u>
2013	\$ 96,378
2014	63,383
2015	63,383
2016	63,383
2017	14,383
Thereafter	<u>3,437</u>
Total	<u>\$ 304,347</u>

For the years ended December 31, 2012 and 2011, rent expense in connection with these leases was \$123,117 and \$100,461, respectively. The Organization also leases office and counseling space in New Hampshire on a tenant-at-will basis.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 14. ENDOWMENT FUND ASSETS

The Not-for-Profit Entities Topic of the ASC intends to improve the quality of consistency of financial reporting of endowments held by not-for-profit organizations. This Topic provides guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of the Uniform Prudent Management Institutional Funds Act (UPMIFA). New Hampshire has adopted UPMIFA. The Topic also requires additional financial statement disclosures on endowments and related net assets.

The Organization has adopted an investment and spending policy to ensure a total return (income plus capital change) necessary to preserve and enhance the principal of the fund and at the same time, provide a dependable source of support for current operations and programs. The withdrawal from the fund in support of current operations is expected to remain a constant percentage of the total fund, adjusted for new gifts to the fund.

In recognition of the prudence required of fiduciaries, reasonable diversification is sought where possible. Experience has shown financial markets and inflation rates are cyclical and, therefore, control of volatility will be achieved through diversification of asset classes and selection of investment managers of diverse investment styles. Asset allocation parameters have been developed for various funds within the structure, based on investment objectives, liquidity needs, and time horizon for intended use.

The spending policy is 5% of the average total endowment value over the trailing 12 quarters with a 1% contingency margin. This includes interest and dividends paid out to the Organization.

Measurement of investment performance against policy objectives will be computed on a total return basis, net of management fees and transaction costs. Total return is defined as dividend or interest income plus realized and unrealized capital appreciation or depreciation at fair market value.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 14. ENDOWMENT FUND ASSETS (continued)

December 31, 2012	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investments, beginning of year	\$ 12,984,428	\$ -	\$ 1,110,811	\$ 14,095,239
Investment return				
Investment income	310,652	-	-	310,652
Realized gain	102,398	-	-	102,398
Unrealized gain	<u>1,463,682</u>	<u>-</u>	<u>-</u>	<u>1,463,682</u>
Total investment return	1,876,732	-	-	1,876,732
Contribution	-	-	159,275	159,275
Appropriation of endowment assets:				
Spending rate	(856,719)	-	-	(856,719)
Additional from Board designated funds	<u>(294,956)</u>	<u>-</u>	<u>-</u>	<u>(294,956)</u>
	<u>(1,151,675)</u>	<u>-</u>	<u>-</u>	<u>(1,151,675)</u>
Release of restriction	<u>-</u>	<u>-</u>	<u>(24,400)</u>	<u>(24,400)</u>
Investments, end of year	<u>\$ 13,709,485</u>	<u>\$ -</u>	<u>\$ 1,245,686</u>	<u>\$ 14,955,171</u>

Investment Net Asset Composition by Fund Type:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Undesignated	\$ 1,594,565	\$ -	\$ -	\$ 1,663,784
Board designated	12,114,920	-	-	12,114,920
Donor designated	<u>-</u>	<u>-</u>	<u>1,245,686</u>	<u>1,176,467</u>
Total	<u>\$ 13,709,485</u>	<u>\$ -</u>	<u>\$ 1,245,686</u>	<u>\$ 14,955,171</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 14. ENDOWMENT FUND ASSETS (concluded)

December 31, 2011	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investments, beginning of year	\$ 13,965,237	\$ -	\$ 895,665	\$ 14,860,902
Investment return				
Investment income	392,867	-	-	392,867
Realized gain	356,631	-	-	356,631
Unrealized gain	<u>(976,443)</u>	<u>-</u>	<u>-</u>	<u>(976,443)</u>
Total investment return	(226,945)	-	-	(226,945)
Contribution	-	-	211,401	211,401
Appropriation of endowment assets:				
Spending rate	(663,354)	-	-	(663,354)
Additional from Board designated funds	<u>(86,765)</u>	<u>-</u>	<u>-</u>	<u>(86,765)</u>
	<u>(750,119)</u>	<u>-</u>	<u>-</u>	<u>(750,119)</u>
Transfer of funds	<u>(3,745)</u>	<u>-</u>	<u>3,745</u>	<u>-</u>
Investments, end of year	<u>\$ 12,984,428</u>	<u>\$ -</u>	<u>\$ 1,110,811</u>	<u>\$ 14,095,239</u>

Investment Net Asset Composition by Fund Type:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Undesignated	\$ 1,592,994	\$ -	\$ -	\$ 1,662,213
Board designated	11,391,434	-	-	11,391,434
Donor designated	<u>-</u>	<u>-</u>	<u>1,110,811</u>	<u>1,041,592</u>
Total	<u>\$ 12,984,428</u>	<u>\$ -</u>	<u>\$ 1,110,811</u>	<u>\$ 14,095,239</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 15. PENSION PLAN

The Organization sponsored a defined contribution plan that covered all employees at day of hire and was at least twenty-one years of age. A pre-tax voluntary contribution is permitted by employees up to limits imposed by the Internal Revenue Code and other limitations specified in the Plan. There were no contributions made to the plan by the Organization for the years ended December 31, 2012 and 2011.

Note 16. RECLASSIFICATION

Certain 2011 amounts have been reclassified to conform to 2012 classification. These reclassifications had no effect on the increase in net assets for 2011.

Note 17. RISKS AND UNCERTAINTIES

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of checking and money market accounts in one financial institution. The Federal Deposit Insurance Corporation insures the balances up to \$250,000 at each bank. As of December 31, 2012, the Organization's accounts exceeded federally insured limits by \$72,636.

The majority of the Organization's grants are received from agencies of the state of New Hampshire. As such, the Organization's ability to generate resources via grants is dependent upon the economic health of that area and of the state of New Hampshire. An economic downturn could cause a decrease in grants that coincides with an increase in demand for the Organization's services.

Note 18. SUBSEQUENT EVENTS

Child and Family Services of New Hampshire has evaluated subsequent events through March 20, 2013, the date which the financial statements were available to be issued, and have not evaluated subsequent events after that date. No subsequent events were identified that would require disclosure in the financial statements for the year ended December 31, 2012.



Manchester Office Statewide Headquarters
464 Chestnut St., P.O. Box 448, Manchester, NH 03105
tel 603-518-4000 fax 603-668-6260
toll free 800-640-6486 www.cfsnh.org

MISSION STATEMENT

Child and Family Services is dedicated to advancing the well-being of children by providing an array of services to strengthen family life and by promoting community commitment to the needs of children.

Child and Family Services

464 Chestnut Street, PO Box 448, Manchester NH 03105-0448
800-640-6486 / 603-518-4000

Board of Trustees 2012 - 2013

Suzanne Boulter, MD PO Box 402 Waterville Valley NH 03215	Board Position: HomePh: (603) 253-4889 WorkPh: Fax:	Email: drsbulter@yahoo.com Employer: Dartmouth Medical School Title: Doctor/Professor Pediatrics, Community & Family Medicine CellPh: 496-1511
Elaine Brody 148 Webster Street Hudson NH 03051	Board Position: HomePh: (603) 883-2842 WorkPh: Fax: (603) 880-0221	Email: epbrody@gmail.com Employer: Title: Business Manager CellPh:
William Conrad 76 Plummer Rd Bedford NH 03110-6043	Board Position: Treasurer, Finance Committee Chair HomePh: (603) 666-0072 WorkPh: (603) 668-4353 Fax: (603) 622-1107	Email: wsc@bcfinance.com Employer: Baldwin & Clarke Corporate Finance, Inc Title: Managing Director CellPh:
Gail Garceau 214 No. Amherst Road Bedford NH 03110	Board Position: HomePh: (603) 472-5731 WorkPh: Fax:	Email: gmgarceau@comcast.net Employer: Title: CellPh: 494-1269
Lou Kaucic 31 Lower Smith Road Sanbornton NH 03269	Board Position: HomePh: (603) 527-1910 WorkPh: Fax:	Email: lkaucic@me.com Employer: Coaches Collective International Title: Executive Director CellPh: (913) 636-7474
Bradford Kuster, Esq. 15 North Main Street, Suite 206 Concord NH 03301	Board Position: Secretary, Advocacy Chair HomePh: (603) 746-3245 WorkPh: (603) 226-1919 Fax:	Email: bradkuster@gmail.com Employer: Attorney at Law Title: Attorney CellPh: 491-4769
Peggy Lambert 654 Raymond Road Auburn NH 03032	Board Position: HomePh: (603) 483-5143 WorkPh: (603) 663-6408 Fax: (603) 663-2059	Email: plambert@cmc-nh.org Employer: Catholic Medical Center Title: Director Critical Care Services CellPh: 540-6387
Kirk Leoni 70 Commercial St., Suite 401 Concord NH 03301	Board Position: HomePh: (603) 529-7730 WorkPh: (603) 410-2732 Fax:	Email: kleoni@nathanwechsler.com Employer: Nathan Wechsler & Company, PA Title: CPA/President CellPh:

Child and Family Services

464 Chestnut Street, PO Box 448, Manchester NH 03105-0448
800-640-6486 / 603-518-4000

Board of Trustees 2012 - 2013

Marilyn Mahoney, Esq. 51 High Street Manchester NH 03104	Board Position: Chair, Advocacy Committee HomePh: (603) 497-2160 WorkPh: (603) 668-0359 Fax: (603) 624-2364	Email: mmahoney@harveymahoney.com Employer: Harvey & Mahoney Title: Attorney CellPh:
<hr/>		
Willard "Bud" Martin 1 Mill Plaza Laconia NH 03246	Board Position: Advocacy Committee HomePh: (603) 284-6560 WorkPh: (603) 527-9161 Fax:	Email: wgm@mlolaw.com Employer: Martin, Lord and Osman, PA Title: CellPh:
<hr/>		
Michael Ostrowski, CEO 464 Chestnut Street - PO Box 448 Manchester NH 03105	Board Position: Asst. Secretary/CEO HomePh: WorkPh: (603) 518-4143 Fax: (603) 668-6260	Email: ostrowskim@cfsnh.org Employer: Child and Family Services Title: CEO CellPh: 494-6219
<hr/>		
Samantha Pause 67 North Park Street Lebanon NH 03766	Board Position: HomePh: (603) 448-2643 WorkPh: (603) 448-8643 Fax: (603) 448-1470	Email: samantha.pause@mascomabank.com Employer: Mascoma Savings Bank Title: SVP Marketing CellPh:
<hr/>		
Lynne Stahler Five Chandler Road Elna NH 03750	Board Position: 2nd Vice Chair HomePh: (603) 643-5667 WorkPh: Fax: (603) 643-1615	Email: lsstahler@gmail.com Employer: Title: Business Owner CellPh: (617) 899-2670
<hr/>		
Gregory Swope, Esq. 77 Reserve Place Concord NH 03301	Board Position: Concord Regional Board, Chair HomePh: (603) 223-0847 WorkPh: (603) 227-9699 Fax:	Email: gswope@usa.net Employer: Attorney at Law Title: Attorney CellPh:
<hr/>		
Kerry Uhler 183 Center Road - PO Box 1493 Hillsboro NH 03244	Board Position: 1st Vice Chair HomePh: (603) 464-4154 WorkPh: (603) 756-3600 Fax: (603) 756-9005	Email: Kerry@bensonwood.com Employer: Bensonwood Title: Project Steward CellPh: 748-2383
<hr/>		

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 CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE is a New Hampshire nonprofit corporation formed September 25, 1914. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 25th day of January A.D. 2013

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

William M. Gardner
Secretary of State



YF contractor

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

MAY 4 5 2011

Nicholas A. Toumpas
Commissioner

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

Maggie Bishop
Director

May 5, 2011

G&C Approved

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

Date 6/23/11
Item # 253

REQUESTED ACTION

Authorize the Department of Health and Human Services, Divisions for Children, Youth and Families to enter into an agreement with Child & Family Services of New Hampshire, Manchester, NH (Vendor #177166 B002), for the provision of comprehensive family support services in the Concord, Littleton, Manchester and Nashua regions, effective July 1, 2011 or date of Governor and Executive Council approval, whichever comes later, through June 30, 2013, in an amount not to exceed \$735,360.00. Funds for this purpose are anticipated to be available in State Fiscal Years 2012 and 2013 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts, if needed and justified, between State Fiscal Years:

05-95-40-404010-5850 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, TITLE XX GRANTS - SSBG

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130302	\$209,697.00	\$209,697.00	\$419,394.00

05-95-40-404010-5885 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, TITLE IVB SUBPART I

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130215	\$50,000.00	\$50,000.00	\$100,000.00

05-95-40-404010-5853 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, CHILD ABUSE PREVENTION CAPTA

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130011	\$30,000.00	\$30,000.00	\$60,000.00

05-95-40-404010-5847 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:
 CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, PROMOTING SAFE-STABLE FAMILIES

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130007	\$77,983.00	\$77,983.00	\$155,966.00
Total:			\$367,680.00	\$367,680.00	\$735,360.00

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EXPLANATION

The above action is requested for the provision of comprehensive family support services to families within the Concord, Littleton, Manchester and Nashua District Office regions. Throughout the state, local agencies provide a range of support services to families and children that focus on strengthening, supporting and building on the strengths and skills of individuals. These services adhere to a nationally recognized set of values and principles centered on the empowerment of individuals, families and communities. Since State Fiscal Year 2002, the Division for Children, Youth and Families has formalized partnerships, through the contracting process, with one local agency per catchment area, to provide services to families experiencing stressors that could cause them to become involved with the Division should they not obtain sufficient support to address their family's needs.

Comprehensive family support services seek to prevent family problems by strengthening parent-child relationships and by providing parents what they need to be good nurturers and providers. The program delivers a wide array of services through a single point of entry and ensures that families can access the services in their home communities, and from agencies and partners that know the individuals and characteristics of the communities that they serve. Services include: visiting family homes to establish a trusting, non-threatening relationship with which the family's needs can be identified; educating parents about their child(ren)'s medical and health needs; linking parents with early childhood care programs and teaching them about child development; supporting and educating parents through peer parent support groups; linking parents with literacy programs to either help parents learn to read or to teach them the importance of reading to their child(ren); family mentoring and advocacy to improve parenting skills, self-sufficiency, family functioning, and reduce the likelihood of abuse and neglect; life skills training to address the family's needs in the context of budgeting, nutrition counseling, financial management, job security, etc. (particularly helpful to young parents); and short-term child placement/respite care to help families ensure their child(ren) are cared for when the parent is temporarily unable to do so.

Through the provision of comprehensive family support services families receive needed services in the most non-intrusive, non-stigmatizing and most efficient manner possible. Over the last six years, the Division for Children, Youth and Families has identified several proven outcomes for participating families, such as not becoming involved in other systems of care, becoming actively engaged with their community, and learning how to pursue and achieve healthy goals. The success of these prevention oriented services helps the Division for Children, Youth and Families achieve its mission, in that children live in nurturing families, and play and go to schools in communities that are safe and cherish children.

Competitive Bidding Process

On February 28, 2011, the Division issued a Request for Proposal for this program. The Request for Proposals was published on the Department of Health and Human Services website and the Division also announced the release of the Request for Proposals via a letter sent to 30 area agencies. As part of the bidding process a bidders conference was held on March 14, 2011 and representatives from fourteen agencies attended.

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
May 5, 2011
Page 3

Child and Family Services of New Hampshire was the only agency to submit proposals for the Concord, Littleton, Manchester and Nashua catchment areas.

The Request for Proposals included evaluation criteria and a description of factors that the Division for Children, Youth and Families would utilize in assessing the effectiveness of proposals received. The Division formed an Evaluation Committee comprised of Division staff from the Bureau of Family and Community-Based Services, as well as staff from the Child Well-Being Bureau and the Division's Financial Analyst and Contract Specialist. Committee members individually reviewed Child & Family Services' proposals; out of 100 possible points the agency's proposals scored an average of 81.8 points for the Concord area, 86.2 points for the Littleton area, 86.3 points for the Manchester area and 87.9 points for the Nashua area. As a result, the Committee recommended awarding an agreement to Child & Family Services for the four catchment areas.

Child & Family Services has provided Comprehensive Family Support Services in these four catchment areas for the last six years and have received favorable satisfaction ratings. During State Fiscal Year 2010 the agency provided services to 1,330 children and adults in the four catchment areas, including, but not limited to, Life Skills Training, Literacy Education & Support, Family Mentoring & Advocacy, and Parent Education & Support.

Agreement Terms

The agreement calls for the provision of these services for two years and reserved the Division's right to renew them for up to four additional years based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Council approval. Child & Family Services has provided its services well and is favorably rated by the families it serves in all four catchment areas. Supporting Federal Funds continue to be available for these services and Child & Family Services further supports the program by contributing at least 25% of the cost of service provision through contractor match dollars, in effective eliminated the need for matching General Funds.

In the event that this contract is not approved by the Governor and Executive Council, children and families will go without preventative services resulting in the very real likelihood of increased maltreatment of children in this state.

Geographic area served: Concord, Littleton, Manchester and Nashua catchment areas.

Source of funds: 100% Federal Funds from the US Department of Health and Human Services.

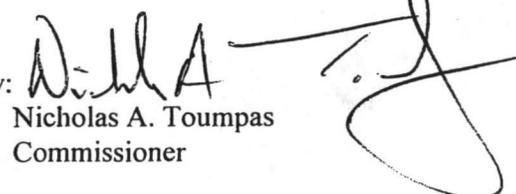
In the event that the Federal funds become no longer available, General funds will not be requested to support this program.

Respectfully submitted,



Maggie Bishop
Director

Approved by:



Nicholas A. Toumpas
Commissioner



CERTIFICATE OF LIABILITY INSURANCE

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

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

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

PRODUCER FIAI/Cross Insurance 1100 Elm Street Manchester NH 03101		CONTACT NAME: Linda Dacey PHONE (A/C, No, Ext): (603) 669-3218 FAX (A/C, No): (603) 645-4331 E-MAIL ADDRESS: ldacey@crossagency.com	
INSURED Child & Family Services of New Hampshire Po Box 448 Manchester NH 03105		INSURER(S) AFFORDING COVERAGE INSURER A: Philadelphia Ins Co INSURER B: QBE Insurance Corp INSURER C: Travelers Ins. Co. INSURER D: INSURER E: INSURER F:	
		NAIC # 39217	

COVERAGES **CERTIFICATE NUMBER:** 12-13 Pkg, BA, Prof & Umb **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 CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			PHPK879641	7/1/2012	7/1/2013	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS			PHPK879641	7/1/2012	7/1/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Drive other car \$ 1,000,000
	<input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS						
A	UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB			PHUB385665	7/1/2012	7/1/2013	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
	DED <input checked="" type="checkbox"/> RETENTION \$ 10,000						
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N <input checked="" type="checkbox"/> N	QWC4001064 (3a.) NH All officers included	4/4/2013	4/4/2014	<input checked="" type="checkbox"/> WC STATUTORY LIMITS E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A	Fidelity & Forgery			104895803	4/1/2013	4/1/2015	Limit: \$200,000
	Professional Liability			PHPK879641	7/1/2012	7/1/2013	Aggregate \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
DHHS: State of NH, Division for Children, Youth & Families are listed as additional insureds with respects to the CGL as per written contract.

CERTIFICATE HOLDER (603) 271-4729 John.H.Harrington@dhhs.sta DHHS: State of NH Director Division for Children, Youth & Families 129 Pleasant Street Concord, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Don Lefebvre/JSC <i>Ronald R. Lefebvre</i>
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State of New Hampshire
Department of Health and Human Services
Amendment #1 to the *Comprehensive Family Support Service Contract*

This **1st** Amendment to the ***Comprehensive Family Support Services*** contract (hereinafter referred to as "Amendment 1") dated this **22nd** day of April, **2013**, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and ***Children Unlimited, Inc.*** (hereinafter referred to as "the Contractor"), a ***non-profit corporation*** company with a place of business at ***182 West Main Street, Conway, NH 03818.***

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on **June 8, 2011 (Item# 110)**, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 and ***Exhibit C-1, section 1***, the State may, ***renew the contract for up to four additional years*** by written agreement of the parties;

WHEREAS ***the State and the Contractor have agreed that a one-year extension of the contract is agreeable to the parties;***

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

To amend as follows:

- Form P-37, Item 1.7, Completion Date shall be amended to read "June 30, 2014"
- Form P-37, Item 1.8, Price Limitation, shall be amended to read "\$273,260.00"
- Exhibit A, Scope of Services, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, Section 1, shall be amended to read "\$273,260.00"

New Hampshire DHHS



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

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

5/21/13
Date

State of New Hampshire
Department of Health and Human Services

Nicholas A. Toumpas
Nicholas A. Toumpas
Commissioner

Children Unlimited, Inc.

4/22/13
Date

Jackie Sparks
Jackie Sparks
Executive Director

Acknowledgement:

State of New Hampshire County of Carroll on 4/22/13, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Linda A. Wise
Name and Title of Notary or Justice of the Peace



New Hampshire DHHS



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

OFFICE OF THE ATTORNEY GENERAL

3 May 2013
Date

[Signature]
Name: Jeanne P. Herrick
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

CERTIFICATE OF VOTE

(Corporation without Seal)

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

1. I am a duly elected Clerk of Children Unlimited, Inc.
(Corporation Name)
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on 4/2/2013:
(Date)

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

Continuous Quality Improvement and Technical Assistance services.

RESOLVED: That the EXECUTIVE DIRECTOR
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 22nd day of April, 2013.
(Date Contract Signed)

4. JACKIE SPARKS is the duly elected EXECUTIVE DIRECTOR
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.

Donese Oliver
(Signature of Clerk of the Corporation)
President

STATE OF NEW HAMPSHIRE

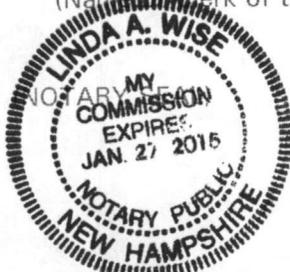
County of Carroll

The forgoing instrument was acknowledged before me this 22 day of April, 2013.

By Donese Oliver
(Name of Clerk of the Corporation)

Linda A. Wise
(Notary Public/Justice of the Peace)

Commission Expires: 1/27/15



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

Division for Children, Youth and Families

**EXHIBIT B-1, Comprehensive Family Support Services
PERSONNEL DATA - Vendor Name
State Fiscal Year 2014**

	Name	Title	Annual Salary	% of Time to Work on the Project	Project Amount Charged for SFY 2014 (7/1/13 - 6/30/14)
1	Barbara Ross	Program Director	\$ 45,760.00	76%	\$ 34,778.00
2	Cathleen Livingston	Family Resource Provider	\$ 32,760.00	88%	\$ 28,828.00
3	Abigail Eldredge	Family Resource Provider	\$ 29,465.00	22%	\$ 6,482.00
4	Jackie Sparks	Executive Director	\$ 83,200.00	5%	\$ 4,160.00
5			\$ -		\$ -
6			\$ -		\$ -
7			\$ -		\$ -
8					
9					
		Total:			\$ 74,248.00

New Hampshire Department of Health and Human Services

Bidder/Program Name: Children Unlimited, Inc.
 Budget Request for: CFSS
 Budget Period: 7/1/13 - 6/30/14

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	74248	3848	74248	3848	78096	
2. Employee Benefits	7274	4000	7274	4000	11274	
3. Consultants	-	2550	-	2550	2550	
4. Equipment:	\$	\$	\$	\$	\$	
Rental	\$	\$	\$	\$	\$	
Repair and Maintenance	\$	\$	\$	\$	\$	
Purchase/Depreciation	\$	\$	\$	\$	\$	
5. Supplies:	\$	\$	\$	\$	\$	
Educational	\$	2255		2255	2255	
Office	\$	325	\$	325	325	
6. Travel	6262	7211	6262	7211	13473	
7. Occupancy	\$	3000	\$	3000	3000	
8. Current Expenses	\$	\$	\$	\$	\$	
Telephone/Utilities	\$	1826	\$	1826	1826	
Postage	\$	\$	\$	\$	\$	
Subscriptions	\$	\$	\$	\$	\$	
Audit and Legal	\$	1000	\$	1000	1000	
Insurance	\$	2500	\$	2500	2500	
Board Expenses	\$	\$	\$	\$	\$	
9. Software	\$	\$	\$	\$	\$	
10. Marketing/Communications	\$	625	\$	625	625	
11. Staff Education and Training	1636	1540	1636	1540	3176	
12. Subcontracts/Agreements	\$	\$	\$	\$	\$	
13. Other (stipends childcare staff)	\$	420	\$	420	420	
TOTAL	\$ 89,420.00	\$ 31,100.00	\$ 89,420.00	\$ 31,100.00	\$ 120,520.00	

Indirect As A Percent of Direct 0.347796913

Contractor Initials: JMS

Date: 4/22/13

Shirley Dow
 4/25

CHILDREN UNLIMITED, INC.

FINANCIAL STATEMENTS

Year Ended June 30, 2012

CHILDREN UNLIMITED, INC.

FINANCIAL STATEMENTS

Year Ended June 30, 2012

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MARSHALL & LIBBY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

PAUL R. MARSHALL, CPA, PFS
RANDOLPH F. LIBBY, CPA
THOMAS G. TATON, CPA

INDEPENDENT AUDITORS' REPORT

Board of Directors
Children Unlimited, Inc.
Conway, NH

We have audited the accompanying statement of financial position of Children Unlimited, Inc. as of June 30, 2012, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2011 financial statements and, in our report dated October 18, 2011 we expressed an unqualified opinion on those statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children Unlimited, Inc. as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Marshall + Libby, LLC

October 19, 2012

CHILDREN UNLIMITED, INC

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2012, With Comparative Totals for 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2012 Total</u>	<u>2011 Total</u>
SUPPORT AND REVENUE:				
Early intervention services	\$ 254,966	\$ 12,991	\$ 267,957	\$ 250,679
Preschool	538,908	-	538,908	445,883
Childcare	235,056	80,000	315,056	350,980
Kindergarten	211,503	-	211,503	208,524
Family resources	22,130	89,420	111,550	107,059
Pediatric services	55,251	13,000	68,251	32,302
Investment income	507	-	507	452
Total support and revenue	<u>1,318,321</u>	<u>195,411</u>	<u>1,513,732</u>	<u>1,395,879</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>121,108</u>	<u>(121,108)</u>	<u>-</u>	<u>-</u>
EXPENSES:				
Early intervention services	259,052	-	259,052	274,687
Preschool	488,208	-	488,208	390,334
Childcare	345,977	-	345,977	402,471
Kindergarten	206,789	-	206,789	134,438
Family resources	140,668	-	140,668	145,373
Pediatric services	18,433	-	18,433	31,071
Administrative	2,578	-	2,578	5,797
Total expenses	<u>1,461,705</u>	<u>-</u>	<u>1,461,705</u>	<u>1,384,171</u>
Changes in net assets	(22,276)	74,303	52,027	11,708
NET ASSETS, beginning of year	<u>1,710,621</u>	<u>316</u>	<u>1,710,937</u>	<u>1,699,229</u>
Net assets, end of year	<u>\$ 1,688,345</u>	<u>\$ 74,619</u>	<u>\$ 1,762,964</u>	<u>\$ 1,710,937</u>

See accompanying notes to financial statements.

CHILDREN UNLIMITED, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2012 With Comparative Totals for 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 52,027	\$ 11,708
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Bad debts	12,852	5,515
Depreciation	46,916	45,796
(Increase) decrease:		
Accounts receivable	43,293	(24,249)
Prepaid expenses	782	9,114
Increase (decrease):		
Accounts payable	(2,533)	4,892
Accrued payroll and related liabilities	7,685	8,910
Prepaid tuition	1,000	(1,882)
Net cash provided by operating activities	<u>162,022</u>	<u>59,804</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of fixed assets	<u>(9,789)</u>	<u>(2,786)</u>
Net cash used in investing activities	<u>(9,789)</u>	<u>(2,786)</u>
Increase in cash	152,233	57,018
CASH, beginning of year	<u>259,071</u>	<u>202,053</u>
Cash, end of year	<u>\$ 411,304</u>	<u>\$ 259,071</u>

See accompanying notes to financial statements.

CHILDREN UNLIMITED, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012, With Comparative Totals for 2011

NOTE A – NATURE OF ORGANIZATION

Children Unlimited, Inc. (the Organization) is a recognized non-profit corporation operating in Conway, New Hampshire. The Organization is designed to service the developmental needs of all children ages birth through eight years. The Organization provides services through its Developmental Childcare Program, Family Centered Early Supports and Services Program, Inclusive Preschool Program, Family Connections Resource Center, and the new Multiage Educational Program.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets

The part of net assets of a not-for-profit organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted Net Assets

The part of the net assets resulting from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations.

Permanently Restricted Net Assets

The part of the net assets resulting from contributions and other inflows of assets whose use by an organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization. The Organization has no permanently restricted net assets.

CHILDREN UNLIMITED, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012, With Comparative Totals for 2011

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor designations. When net assets are used for their intended purpose, they are released and reclassified as unrestricted net assets.

All non-cash contributions are recorded at the estimated fair market value at the date of the contribution. They are considered available for unrestricted use, unless specifically restricted by the donor or subject to other legal restrictions.

Fixed Assets

Fixed assets are stated at cost, or, if donated, at the estimated fair market value at the date of donation. Depreciation is recorded using the straight-line method at various rates calculated to allocate the cost of the respective items over their estimated useful lives. Depreciation of buildings and other fixed assets is provided using estimated useful lives of three to thirty-nine years.

Estimates

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

Cash Equivalents

For purposes of the statements of cash flows the Organization considers all savings, short-term investments and certificates of deposit to be cash equivalents.

CHILDREN UNLIMITED, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012, With Comparative Totals for 2011

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service classified the Organization as other than a private foundation.

Advertising

The Organization follows the policy of charging costs of advertising to expense as incurred. Total expenses paid during 2012 and 2011 were \$802 and \$217, respectively.

NOTE C – ACCOUNTS RECEIVABLE

Accounts receivable are comprised of preschool and childcare fees billed but not yet received by the Organization. The Organization periodically reviews all outstanding receivable amounts for collectability.

At June 30, 2012 and 2011, accounts receivable consisted of the following:

	<u>2012</u>	<u>2011</u>
Early intervention services	\$ 26,496	\$ 30,194
Preschool	8,798	12,167
Day care	22,724	76,679
Child health support programs	<u>7,451</u>	<u>5,486</u>
	65,469	124,526
Less allowance for doubtful accounts	<u>(1,500)</u>	<u>(4,412)</u>
Net accounts receivable	<u>\$ 63,969</u>	<u>\$ 120,114</u>

CHILDREN UNLIMITED, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012, With Comparative Totals for 2011

NOTE D – CASH MAINTAINED IN FINANCIAL INSTITUTIONS

As of June 30, 2012, the Organization maintained cash balances in Federal Deposit Insurance Corporation (FDIC) member financial institutions. FDIC member financial institutions insure deposits to \$250,000. The Organization's cash balances did not exceed deposit insurance amounts at June 30, 2012.

NOTE E – SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

For the years ended June 30, 2012 and 2011 cash paid for interest was \$762 and \$1,063, respectively.

NOTE F – LINE OF CREDIT

The Organization has available a \$200,000 line of credit. The line is secured by the real estate. There was no outstanding balance on this line at June 30, 2012 and 2011.

NOTE G – FAIR VALUE OF INSTRUMENTS

The Organization's financial instruments are cash and cash equivalents, accounts receivable and accounts payable. The recorded values of cash and cash equivalents, accounts receivable and accounts payable approximate their fair values based on their short-term nature.

NOTE H – RECLASSIFICATIONS

Certain reclassifications have been made to prior year amounts to conform with current year presentation. There have been no changes to previously reported net assets.

NOTE I - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 19, 2012, the date on which the financial statements were available to be issued.



MARSHALL & LIBBY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

PAUL R. MARSHALL, CPA, PFS
RANDOLPH F. LIBBY, CPA
THOMAS G. TATON, CPA

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

Board of Directors
Children Unlimited, Inc.
Conway, NH

Our report on our audit of the financial statements of Children Unlimited, Inc., as of June 30, 2012, and for the year then ended appears on page one. The audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the accompanying schedules is presented for the purpose of additional analysis and is not a required part of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Marshall & Libby, LLC

October 19, 2012

CHILDREN UNLIMITED, INC.

SCHEDULE OF FUNCTIONAL REVENUES

Year Ended June 30, 2012, With Comparative Totals for 2011

	Early intervention services	Preschool	Childcare	Kindergarten	Family resources	Pediatric services	Investment income	2012 Total	2011 Total
Contributions	\$ -	\$ -	\$ 84,352	\$ -	\$ 21,964	\$ 400	\$ -	\$ 106,716	\$ 52,757
Grants	3,211	-	-	-	89,420	13,000	-	105,631	94,404
ARRA stimulus funding	9,780	-	-	-	-	-	-	9,780	-
Town warrants	28,700	-	-	-	-	-	-	28,700	17,700
Medicaid income	213,038	-	-	-	-	-	-	213,038	220,789
Prvt insurance/prvt pay	13,061	7,906	178,540	-	-	-	-	199,507	243,287
Therapies/evaluations	-	140,622	4,845	14,750	-	2,500	-	162,717	165,190
One-on-one aide	-	96,500	-	-	-	-	-	96,500	57,324
Tuition	-	293,056	-	196,586	-	-	-	489,642	433,552
Fundraising	-	657	9,868	-	-	-	-	10,525	9,179
Special service contracts	-	-	22,231	-	-	-	-	22,231	64,610
Play therapy	-	-	15,053	-	-	-	-	15,053	12,233
In-kind services	167	167	167	167	166	166	-	1,000	1,000
Annual appeal	-	-	-	-	-	48,535	-	48,535	20,252
Evaluation room rental	-	-	-	-	-	3,650	-	3,650	3,150
Interest	-	-	-	-	-	-	507	507	452
	<u>\$ 267,957</u>	<u>\$ 538,908</u>	<u>\$ 315,056</u>	<u>\$ 211,503</u>	<u>\$ 111,550</u>	<u>\$ 68,251</u>	<u>\$ 507</u>	<u>\$ 1,513,732</u>	<u>\$ 1,395,879</u>

See accountants report on supplementary information.

CHILDREN UNLIMITED, INC.
P.O. Box 87, Kearsarge, N.H. 03847

CONSTITUTION AND BY-LAWS

ARTICLE I ---- NAME

The name of this organization shall be Children Unlimited, Inc.

ARTICLE II ---- PURPOSE

- Section 1. The objective of this organization is to provide therapeutic, educational and developmental services to meet the developmental needs of children ages birth through five years.
- Section 2. Children Unlimited will administer and provide services to three individual programs:
- A. The Early Intervention Program for ages birth to three years provides therapeutic, developmental and educational services to children who are developmentally delayed or have potential for delay.
 - B. The Pre-School Program for ages three thru five years provides educational, developmental and therapeutic services to all children but in particular to those who have mild to moderate educational handicaps as identified and placed by the public school system.
 - C. The Developmental Day-Care Program provides child-care, respite and day-care services to both special needs and non-special needs children ages 2 months thru 5 years.



Board of Directors 2013

Officers:

****President**

Donese Oliver (2)

62 Lovewell Pond Road
Fryeburg, ME 04037

(H) 207-935-3233

idoliver1@roadrunner.com

(Bookkeeper)

****Treasurer**

Charlie Macomber (2)

466 Eaton Road

Conway, NH 03818

(H) 447-6913

chasvt@sover.net

(Accountant)

****Secretary**

Marie Olson (3)

PO Box 554

Center Conway, NH 03813

(C) 986-8588

(H) 447-1747

olsonfamily@adelphia.net

(Physical Therapy, VNS/Parent)

Board Members:

Sue Battles (2)

126 Randell Farm Rd

North Conway, NH 03860

(H) 356-5615

subb@roadrunner.com

(Retail)

Nancy Burns (3)

PO Box 105

Eaton, NH 03832

(H) 447-6516

(Retired - Business)

Rachel Vose (1)

PO Box 579

Jackson, NH 03846

(C) 986-0533

acadiashui@gmail.com

(Parent)

Judy Fowler (2)

PO Box 58

Eaton, NH 03832

(H) 447-2828

hjfowler42@gmail.com

(Retired - Social Worker)

Marcy French (2)

118 North Fryeburg Road

Fryeburg, ME 04037

(H) 207-697-3080

m_french@sau9.org

(School Psychologist)

Dr. Kathryn Karlsson (2)

PO Box 429

Jackson, NH 03846

(H) 383-4575

Kathryn@swedishkiwi.com

(Retired Educator)

Jan Kisluk (1)

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Conway, NH 03818

(C) 986-5144

(W) 356-6703

jan.kisluk@gmail.com

(Theater Manager)

Gerald Milliken Jr. (1)

PO Box 2655

North Conway, NH 03860

(H) 879-0450

(C) 915-3218

jerry@millikenweb.com

(Parent)

Carol Kramer (1)

931 East Shore Road

Silver Lake, NH 03875

(H) 367-8495

carol@silverlakekramers.com

Elaine Weathers (1)

PO Box 787

Conway, NH 03818

(H) 447-5469

(C) 986-5884

lane_weathers@yahoo.com

(Experienced Fundraiser)

Rachael MacMillan (1)

PO Box 2516

N Conway, NH 03860

(H) 603-552-5475

multivest5@yahoo.com

Christine Gillette (1)

TD Bank

PO Box 1576

Conway, NH 03818

(W) 603-447-6333

chris.gillette@td.com

(TD Bank, Assistant Vice President)

Emeritus:

Lisa Baumgartner (3)

PO Box 638

Jackson, NH 03846

(H) 383-9613

LisaBaum@aol.com

(Commercial Fiction Author)

Laurie Ferris (3)

PO Box 577

Conway, NH 03818

(C) 662-6825

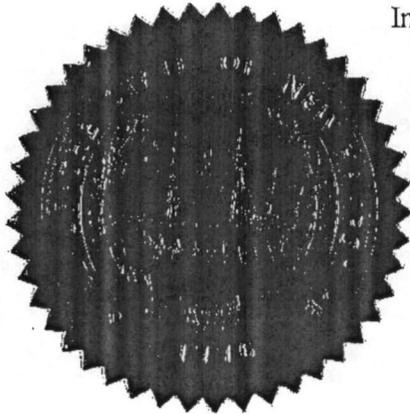
lms@ncia.net

(Parent / P.R. Consultant)

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 CHILDREN UNLIMITED, INC. is a New Hampshire nonprofit corporation formed May 2, 1986. 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 15th day of April A.D. 2013

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

William M. Gardner
Secretary of State



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

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

Nicholas A. Toumpas
 Commissioner

Maggie Bishop
 Director

May 6, 2011

His Excellency, Governor John H. Lynch
 and the Honorable Executive Council
 State House
 Concord, New Hampshire 03301

G&C Approved

Date 6/8/11
 Item # 110

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to enter into an agreement with Children Unlimited, Conway, NH (Vendor #156114 B001), for the provision of comprehensive family support services in the Conway region, effective July 1, 2011 or date of Governor and Executive Council approval, whichever comes later, through June 30, 2013, in an amount not to exceed \$183,840.00. Funds for this purpose are anticipated to be available in State Fiscal Years 2012 and 2013 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts, if needed and justified, between State Fiscal Years:

05-95-40-404010-5850 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, TITLE XX GRANTS - SSBG

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130302	\$72,920.00	\$72,920.00	\$145,840.00

05-95-40-404010-5847 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, PROMOTING SAFE-STABLE FAMILIES

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130007	\$19,000.00	\$19,000.00	\$38,000.00
Total:			\$91,920.00	\$91,920.00	\$183,840.00

EXPLANATION

The above action is requested for the provision of comprehensive family support services to families within the Conway region. Throughout the state, local agencies provide a range of support services to families and children that focus on strengthening, supporting and building on the strengths and skills of individuals. These services adhere to a nationally recognized set of values and principles centered on the empowerment of individuals, families and communities. Since State Fiscal Year 2002, the Division for Children, Youth and Families has formalized partnerships, through the contracting process, with one local agency per catchment area,

to provide services to families experiencing stressors that could cause them to become involved with the Division should they not obtain sufficient support to address their family's needs.

Comprehensive family support services seek to prevent family problems by strengthening parent-child relationships and by providing parents what they need to be good nurturers and providers. The program delivers a wide array of services through a single point of entry and ensures that families can access the services in their home communities, and from agencies and partners that know the individuals and characteristics of the communities that they serve. Services include: visiting family homes to establish a trusting, non-threatening relationship with which the family's needs can be identified; educating parents about their child(ren)'s medical and health needs; linking parents with early childhood care programs and teaching them about child development; supporting and educating parents through peer parent support groups; linking parents with literacy programs to either help parents learn to read or to teach them the importance of reading to their child(ren); family mentoring and advocacy to improve parenting skills, self-sufficiency, family functioning, and reduce the likelihood of abuse and neglect; life skills training to address the family's needs in the context of budgeting, nutrition counseling, financial management, job security, etc. (particularly helpful to young parents); and short-term child placement/respite care to help families ensure their child(ren) are cared for when the parent is temporarily unable to do so.

Through the provision of comprehensive family support services families receive needed services in the most non-intrusive, non-stigmatizing and most efficient manner possible. Over the last six years, the Division for Children, Youth and Families has identified several proven outcomes for participating families, such as not becoming involved in other systems of care, becoming actively engaged with their community, and learning how to pursue and achieve healthy goals. The success of these prevention oriented services helps the Division for Children, Youth and Families achieve its mission, in that children live in nurturing families, and play and go to schools in communities that are safe and cherish children.

Competitive Bidding Process

On February 28, 2011, the Division issued a Request for Proposal for this program. The Request for Proposals was published on the Department of Health and Human Services website and the Division also announced the release of the Request for Proposals via a letter sent to 30 area agencies. As part of the bidding process a bidders conference was held on March 14, 2011 and representatives from fourteen agencies attended. Children Unlimited, Inc. was the only agency to submit a proposal for the Conway region.

The Request for Proposals included evaluation criteria and a description of factors that the Division for Children, Youth and Families would utilize in assessing the effectiveness of proposals received. The Division formed an Evaluation Committee comprised of Division staff from the Bureau of Family and Community-Based Services, as well as staff from the Child Well-Being Bureau and the Division's Financial Analyst and Contract Specialist. Committee members individually reviewed Children Unlimited's proposal; out of 100 possible points the agency's proposal scored an average of 84 points. As a result, the Committee recommended awarding an agreement to Children Unlimited, Inc. to serve the Conway region.

Children Unlimited has provided comprehensive family support services in this region for the last six years and have received favorable satisfaction ratings. During State Fiscal Year 2010 the agency provided services to 469 children and adults in the Conway region, including, but not limited to, Life Skills Training, Literacy Education & Support, Family Mentoring & Advocacy, and Parent Education & Support.

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
May 6, 2011
Page 3

Agreement Terms

The agreement calls for the provision of these services for two years and reserved the Division's right to renew them for up to four additional years based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Council approval. Children Unlimited, Inc. has provided its services well and is favorably rated by the families it serves in the Conway region. Supporting Federal Funds continue to be available for these services and Children Unlimited further supports the program by contributing at least 25% of the cost of service provision through contractor match dollars, in effective eliminated the need for matching General Funds.

In the event that this contract is not approved by the Governor and Executive Council, children and families will go without preventative services resulting in the very real likelihood of increased maltreatment of children in this state.

Geographic area served: Conway catchment area.

Source of funds: 100% Federal Funds from the US Department of Health and Human Services.

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

Respectfully submitted,



Maggie Bishop
Director

Approved by:


Nicholas A. Toumpas
Commissioner



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/9/2013

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

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

PRODUCER
 Chalmers Insurance Group - Ossipee Office
 PO Box 180
 1230 Route 16
 Center Ossipee NH 03814

INSURED
 Children Unlimited, Inc.
 PO Box 986
 Conway NH 03818-0986

CONTACT NAME: Debra Davis, ACSR
PHONE (A/C No. Ext): (603) 539-7444 **FAX (A/C No.):** (603) 539-4860
E-MAIL ADDRESS: ddavis@ChalmersInsuranceGroup.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Philadelphia Insurance Company	23850
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** CL1332910496 **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			PHPK873820	7/1/2012	7/1/2013	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB EXCESS LIAB DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			N/A			WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

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

CERTIFICATE HOLDER	CANCELLATION
State of New Hampshire Department of Health & Human Services 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 D Davis, ACSR/DEBD



CERTIFICATE OF LIABILITY INSURANCE

CAU
R001DATE (MM/DD/YYYY)
04-09-2013

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

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

PRODUCER PAYCHEX INSURANCE AGENCY INC 210705 P:()- F:(888)443-6112 PO BOX 33015 SAN ANTONIO TX 78265	CONTACT NAME: _____	
	PHONE (A/C, No, Ext): _____	FAX (A/C, No): (888) 443-6112
E-MAIL ADDRESS: _____		
INSURER(S) AFFORDING COVERAGE		
INSURER A: Hartford Ins Co of the Midwest		NAIC # 37478
INSURER B: _____		
INSURER C: _____		
INSURER D: _____		
INSURER E: _____		
INSURER F: _____		

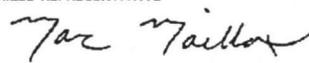
INSURED
 CHILDREN UNLIMITED INC.
 PO BOX 986
 CONWAY NH 03818

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
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB OCCUR <input type="checkbox"/> CLAIMS-MADE DED \$ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	76 WEG DG3641	07/01/2012	07/01/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Those usual to the Insured's Operations.

CERTIFICATE HOLDER DEPT. OF HEALTH & HUMAN SERVICES 129 PLEASANT ST CONCORD, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the *Comprehensive Family Support Service Contract***

This **1st** Amendment to the ***Comprehensive Family Support Services*** contract (hereinafter referred to as "Amendment 1") dated this 22nd day of April, **2013**, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and ***Community Action Partnership of Strafford County*** (hereinafter referred to as "the Contractor"), a ***non-profit corporation*** company with a place of business at ***270 County Farm Road, Dover, NH 03820***.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on **June 8, 2011 (Item# 105)**, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 and ***Exhibit C-1, section 1***, the State may, ***renew the contract for up to four additional years*** by written agreement of the parties;

WHEREAS ***the State and the Contractor have agreed that a one-year extension of the contract is agreeable to the parties;***

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

To amend as follows:

- Form P-37, Item 1.7, Completion Date shall be amended to read "June 30, 2014"
- Form P-37, Item 1.8, Price Limitation, shall be amended to read "\$273,260.00"
- Exhibit A, Scope of Services, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, Section 1, shall be amended to read "\$273,260.00"



New Hampshire DHHS

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

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

5/21/13
Date

State of New Hampshire
Department of Health and Human Services
Nicholas A. Toumpas
Nicholas A. Toumpas
Commissioner

4/23/13
Date

Community Action Partnership of Strafford County
Betsy Andrews Parker
Betsy Andrews Parker
Executive Director

Acknowledgement:

State of NH, County of Strafford on 4/23/13, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Jennifer L. Letson
Name and Title of Notary or Justice of the Peace



New Hampshire DHHS



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

OFFICE OF THE ATTORNEY GENERAL

3 May 2013
Date

[Signature]
Name: Jeannette P. Herlihy
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

CERTIFICATE OF VOTE
(Corporation without Seal)

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

1. I am a duly elected Clerk of Community Action Partnership of Stratford County
(Corporation Name)
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on 12/7/2011:
(Date)

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

Comprehensive Family Support services.

RESOLVED: That the Executive Director
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 23 day of April, 2013.
(Date Contract Signed)

4. Betsy Andrews Parker is the duly elected Executive Director
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.

Mark Rideout
(Signature of Clerk of the Corporation)

STATE OF NEW HAMPSHIRE

County of Stratford

The forgoing instrument was acknowledged before me this 23 day of April, 2013.

By Mark Rideout
(Name of Clerk of the Corporation)

Jennifer J. Letson
(Notary Public/Justice of the Peace)
Commission Expires: 9/9/2014



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

Division for Children, Youth and Families

**EXHIBIT B-1, Comprehensive Family Support Services
 PERSONNEL DATA - Community Action Partnership of Strafford County
 State Fiscal Year 2014**

	Name	Title	Annual Salary	% of Time to Work on the Project	Project Amount Charged for SFY 2014 (7/1/13 - 6/30/14)
1	Melissa Adams	Child & Family Services Director	\$65,000.00	6%	\$4,062.50
2	Debra Meader	Family Resource Manager	\$43,000.00	25%	\$10,750.00
3	Chad Delassandri	Home Visitor	\$36,150.00	95%	\$34,342.50
4	Jamie Swan	Home Visitor	\$15,715.44	83%	\$13,095.68
5	Jamie Swan	Parent Education Coordinator	\$12,223.12	14%	\$1,746.68
6	Stephanie Ham	Fiscal Assistant	\$ 32,760.00	5%	\$1,638.00
7			\$-		\$-
8					\$-
9					
Total:					\$65,635.36

New Hampshire Department of Health and Human Services
 Bidder/Program Name: Community Action Partnership of Strafford County
 Budget Request for: CFSS
 Budget Period: 7/1/13 - 6/30/14

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/Fixed Cost	Details
1. Total Salary/Wages	\$ 63,997.36	\$ 1,638.00	\$ 63,635.36	\$ 2,000.00	\$ 65,635.36	staff time allocation to grant	
2. Employee Benefits	\$ 14,719.39	\$ 376.74	\$ 14,636.13	\$ 460.00	\$ 15,096.13	23% of total salary	
3. Consultants	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00		
4. Equipment:	\$ -	\$ -	\$ -	\$ -	\$ -		
Rental	\$ 600.00	\$ -	\$ -	\$ 600.00	\$ 600.00		
Repair and Maintenance	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00		
Purchase/Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -		
5. Supplies:	\$ -	\$ -	\$ -	\$ -	\$ -		
Educational	\$ 1,500.00	\$ -	\$ 200.00	\$ 1,300.00	\$ 1,500.00		
Office	\$ 900.00	\$ -	\$ 300.00	\$ 600.00	\$ 900.00		
6. Travel	\$ 2,288.00	\$ -	\$ 1,718.40	\$ 569.60	\$ 2,288.00		
7. Occupancy	\$ 7,500.00	\$ -	\$ 5,000.00	\$ 2,500.00	\$ 7,500.00		
8. Current Expenses	\$ -	\$ -	\$ -	\$ -	\$ -		
Telephone	\$ 1,500.00	\$ -	\$ 1,430.11	\$ 69.89	\$ 1,500.00		
Postage	\$ 211.20	\$ -	\$ -	\$ 211.20	\$ 211.20		
Subscriptions	\$ 300.00	\$ -	\$ -	\$ 300.00	\$ 300.00		
Audit and Legal	\$ -	\$ 3,000.00	\$ 2,000.00	\$ 1,000.00	\$ 3,000.00		
Insurance	\$ 1,000.00	\$ -	\$ 500.00	\$ 500.00	\$ 1,000.00		
Board Expenses	\$ -	\$ -	\$ -	\$ -	\$ -		
9. Software	\$ -	\$ -	\$ -	\$ -	\$ -		
10. Marketing/Communications	\$ 400.00	\$ -	\$ -	\$ 400.00	\$ 400.00		
11. Staff Education and Training	\$ 1,600.00	\$ -	\$ -	\$ 1,600.00	\$ 1,600.00		
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	\$ -	\$ -		
			\$ -				
13. Other (specific details mandatory):	\$ 15,000.00	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00		Participant costs (i.e. food; diapers, clothing); administrative support services (HR, Office Admin); and costs associated with parent education classes and support groups
TOTAL	\$ 113,515.95	\$ 5,014.74	\$ 89,420.00	\$ 29,110.69	\$ 118,530.69		

Indirect As A Percent of Direct 4.42%

Contractor Initials: EAP
 Date: 4/23/13

**Community Action Partnership
of Strafford County**

Single Audit Reports

December 31, 2011

Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

DECEMBER 31, 2011

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INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS

September 27, 2012

To the Board of Directors of
Community Action Partnership of Strafford County
Dover, New Hampshire

We have audited the financial statements of Community Action Partnership of Strafford County as of and for the year ended December 31, 2011, and have issued our report thereon dated September 27, 2012, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Ron L. Beaulieu & Co.

Certified Public Accountants

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 2011**

Federal Grantor Pass-Through Grantor Program Title or Cluster	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed through State of New Hampshire Department of Education Child and Adult Care Food Program	10.558	4300-ZZZZ	86,966
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through City of Dover, New Hampshire Community Development Block Grant / Entitlement Grant	14.218		33,015
Passed through City of Rochester, New Hampshire Community Development Block Grant / Entitlement Grant	14.218		10,049
Total Program			<u>43,064</u>
Passed through State of New Hampshire Department of Health and Human Services: Supportive Housing Program	14.235	010-092-7176-102-0415	39,345
Passed through Community Partners/Behavioral Health/Services/Academy St. Supportive Housing Program	14.235		27,922
Total Program			<u>67,267</u>
U.S. DEPARTMENT OF LABOR			
Passed through Southern New Hampshire Services WIA Cluster			
WIA Adult Program	17.258		55,120
WIA Dislocated Worker	17.278		100,272
Total Program			<u>155,392</u>
U.S. DEPARTMENT OF ENERGY			
Passed through State of New Hampshire Governor's Office of Energy & Community Services			
Weatherization Assistance	81.042	01-02-02-024010-7706-074- 500587	56,099
ARRA - Weatherization Assistance	81.042	010-002-0851-074-0587	914,658
Total Program			<u>970,757</u>

See accompanying independent auditors' report and notes to schedule of expenditures of federal awards.

**COMMUNITY ACTION PARTNERSHIP OF STAFFORD COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011**

Federal Grantor Pass-Through Grantor Program Title or Cluster	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Program:			
Head Start Cluster:			
Head Start Grant	93.600	N/A	2,231,819
ARRA - Head Start	93.708	N/A	233,178
Total Program			<u>2,464,997</u>
Passed through State of New Hampshire Division of Elderly and Adult Services			
Special Programs for the Aging-- Title III, Part B- Grants for Supportive Services and Senior Centers	93.044	010-048-7872-512-0352	48,386
Passed through Southern New Hampshire Services, Inc.			
Temporary Assistance for Needy Families	93.558		122,394
Passed through Administration for Children and Families			
Temporary Assistance for Needy Families	93.558	010-045-6146-090-0415	8,421
Total Program			<u>130,815</u>
Passed through State of New Hampshire Governor's Office of Energy & Planning			
Low-Income Home Energy Assistance	93.568	01-02-02-024010-77050000-500587	3,238,144
Low-Income Home Energy Assistance	93.568	01-02-02-024010-77050000-074-500587	60,051
Total Program			<u>3,298,195</u>
Passed through Public Utilities of New Hampshire			
Community Services Block Grant	93.569	010-045-7148-093-0415	346,550
TOTAL FEDERAL EXPENDITURES			<u><u>7,612,389</u></u>

See accompanying independent auditors' report and notes to schedule of expenditures of federal awards

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2011**

NOTE 1- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Community Action Partnership of Strafford County, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Community Action Partnership of Strafford County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community Action Partnership of Strafford County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011

All Federal Award Programs

FINDING 2010-3: All Federal Award Programs

Condition: Management did file single audit reports with the federal government within 9 month reporting window.

Recommendation: Follow compliance requirements of filing needed single audit reports within 9 months of end of audit period.

Current Status: Management is presently on schedule to file within 9 months of end of audit period.

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

September 27, 2012

To the Board of Directors of
Community Action Partnership of Strafford County
Dover, New Hampshire

We have audited the financial statements of Community Action Partnership of Strafford County as of and for the year ended December 31, 2011, and have issued our report thereon dated September 27, 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

Management of Community Action Partnership of Strafford County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Community Action Partnership of Strafford County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Action Partnership of Strafford County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 the 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. Finding 2011-1 and 2011-2. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

Community Action Partnership of Strafford County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Community Action Partnership of Strafford County's response and, accordingly, we express no opinion on it

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, 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.

Ron L. Beaulieu & Co.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

September 27, 2012

To the Board of Directors of
Community Action Partnership of Strafford County
Dover, New Hampshire

Compliance

We have audited Community Action Partnership of Strafford County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Community Action Partnership of Strafford County's major federal programs for the year ended December 31, 2011. Community Action Partnership of Strafford County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Community Action Partnership of Strafford County's management. Our responsibility is to express an opinion on Community Action Partnership of Strafford County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Action Partnership of Strafford County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Community Action Partnership of Strafford County's compliance with those requirements.

In our opinion, Community Action Partnership of Strafford County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of Community Action Partnership of Strafford County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Community Action Partnership of Strafford County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Action Partnership of Strafford County's internal control over compliance.

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

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

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, 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.

Ron L. Beaulieu & Co.

Certified Public Accountants

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 DECEMBER 31, 2011

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

Significant deficiency disclosed yes no

Material weakness disclosed yes no

Material noncompliance disclosed yes no

Federal Awards

Internal control over major programs:

Significant deficiency disclosed yes no

Material weakness disclosed yes no

Type of auditors' report issued on compliance for major programs: unqualified

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

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Weatherization Assistance For Low-Income People	81.042
Low-Income Home Energy Assistance Program	93.568

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

Auditee qualified as low-risk auditee? yes no

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
CORRECTIVE ACTION PLAN
DECEMBER 31, 2011

SECTION II FINDINGS – FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

2011-1 Preparation of Financial Statements

Condition: Management is not having fiscal year-end financial statements prepared, in accordance with generally accepted accounting principles, in a timely fashion.

Criteria: Common accounting practices require financial statements to be prepared within three months of year end and a financial audit completed within six months of year end to be useful for external and internal financial reporting.

Cause: No policies exist that mandate completion dates for presenting statements.

Effect: This delays internal and external financial reporting and the commencement of a financial statement audit.

Recommendation: Implement a policy that will define a reasonable time period for having financial statements prepared.

Response: CAPSC accelerated the audit preparation process and filed the Single Federal Audit on time.

2011-2 Accounts Receivable

Condition: Management is not following documented policy to record revenues on the accrual basis of accounting.

Criteria: Generally accepted accounting principles mandate the use of accrual accounting.

Cause: Billings are not recorded as receivables and revenue when sent to funding source. Management creates accounts receivable balance through year end adjustments based on collections subsequent to year end.

Effect: This delays the recording of revenues and causes accounts receivable and revenue balances to be prone to errors at year end.

Recommendation: Follow policy in fiscal procedures manual requiring approved billings to be processed in accounting system prior to sending them to the appropriate funding source.

Response: Each award normally specifies a particular billing cycle. Therefore, a schedule is established for each grant and contract to ensure that reimbursement is made on a timely basis along with any other reporting that is required in addition to the financial reports.

SECTION III FINDINGS – MAJOR FEDERAL AWARD PROGRAMS

No findings

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
CORRECTIVE ACTION PLAN
DECEMBER 31, 2011

September 27, 2012

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Community Action Partnership of Strafford County respectfully submits the following corrective action plan for the year ended December 31, 2011.

Name and address of independent public accounting firm: Ron L. Beaulieu & Company
41 Bates Street Portland, Maine 04103

Audit Period: January 01, 2011 through December 31, 2011

The findings from the December 31, 2011 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

SECTION II FINDINGS – FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

2011-1 Preparation of Financial Statements

Recommendation: Implement procedures that will define a reasonable time period for having financial statements prepared.

Action Taken: By following our revised year end schedule, each audit segment will be delivered to our independent auditor on time in the future.

2011-2 Accounts Receivable

Recommendation: Follow policy in fiscal procedures manual requiring approved billings to be processed in accounting system prior to sending the billing to the appropriate funding source.

Action Taken: At the time invoices (request for reimbursement) are prepared, revenue and accounts receivable shall be recorded on the books of CAPSC. We have updated out Fiscal Policy and Procedures Manual and have conducted trainings with all staff affected to re-affirm this change.

**Community Action Partnership
of Strafford County**

**Independent Auditors' Report and
Management's Financial Statements**

December 31, 2011

Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

DECEMBER 31, 2011

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INDEPENDENT AUDITORS' REPORT

September 27, 2012

To the Board of Directors of
Community Action Partnership of Strafford County
Dover, New Hampshire

We have audited the accompanying statement of financial position of Community Action Partnership of Strafford County, as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Community Action Partnership of Strafford County's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 financial statements referred to above present fairly, in all material respects, the financial position of Community Action Partnership of Strafford County as of December 31, 2011, and the changes in its net assets and its cash flows 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 September 27, 2012, on our consideration of Community Action Partnership of Strafford County'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.

Ron L. Beaulieu & Co.

Certified Public Accountants

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31,

	2011
ASSETS	
CURRENT ASSETS	
Cash	\$ 279,981
Accounts receivable (net)	1,147,746
Inventory	160,373
Prepaid expenses	35,923
Total current assets	1,624,023
FIXED ASSETS	
Real estate	719,429
Vehicles and equipment	1,217,476
Total fixed assets	1,936,905
Less - accumulated depreciation	(1,132,426)
Net fixed assets	804,479
OTHER ASSETS	
Security deposits	17,171
Total other assets	17,171
TOTAL ASSETS	\$ 2,445,673
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	317,684
Accrued payroll	74,449
Accrued expenses	242
Accrued compensated absences	80,000
Deferred revenue	637,245
Line of credit	90,000
Security deposits payable	36,431
Current portion of long-term debt	43,842
Total current liabilities	1,279,893
LONG-TERM DEBT, less current portion	-
TOTAL LIABILITIES	1,279,893
NET ASSETS	
Unrestricted	1,165,780
TOTAL NET ASSETS	1,165,780
TOTAL LIABILITIES AND NET ASSETS	\$ 2,445,673

See accompanying independent auditors' report and notes to financial statements.

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31,

	2011
REVENUES	
Grant and contract support	\$ 7,995,265
Program contributions	199,269
Rental income	-
Interest income	929
Fees for service	359,296
Fundraising	6,050
Other revenue	202,386
In-kind contributions	875,710
TOTAL REVENUES	\$ 9,638,905
EXPENSES	
Program services:	
Child services	3,756,476
Community services	842,062
Energy assistance	3,480,874
Housing	152,811
Weatherization	1,032,396
Workforce development	199,784
Total program services	9,464,403
Support services:	
Management and general	409,066
TOTAL EXPENSES	9,873,469
INCREASE (DECREASE) IN NET ASSETS	(234,564)
NET ASSETS - JANUARY 1	1,400,344
NET ASSETS - DECEMBER 31	\$ 1,165,780

See accompanying independent auditors' report and notes to financial statements.

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2011**

	Program Services				
	Child Services	Community Services	Energy Assistance	Housing	Weatherization
Payroll	\$ 1,937,928	\$ 305,841	\$ 290,711	\$ 29,119	\$ 273,686
Payroll taxes	132,661	25,865	22,501	2,700	42,652
Fringe benefits	319,597	61,554	49,382	7,795	76,921
Consultants and contract labor	28,358	28,350	1,482	344	2,135
Consumable supplies	57,527	1,963	2,519	319	6,474
Meetings/events/training	54,891	15,597	498	30	9,195
Copying & postage	9,473	1,556	14,533	11	2,847
Space and utilities	138,008	27,362	24,751	4,968	9,396
Equipment lease/rental/computer expense	13,116	2,406	7,634	322	8,639
Repairs and maintenance	101,172	16,990	6,384	6,104	26,899
Travel/transportation	81,420	12,049	1,945	35	4,972
Other/program support	8,200	2,482	232	46	65,641
Weatherization material/fuel and client assistance	143,400	78,463	3,053,180	90,637	373,424
Indirect costs	-	-	-	-	-
In-kind expenses	627,520	248,189	-	-	-
Depreciation	41,129	4,293	-	1,431	43,030
Property taxes	-	-	-	5,473	-
Insurance	62,076	7,853	4,868	3,423	86,345
Interest expense	-	1,249	254	54	140
TOTAL	\$ 3,756,476	\$ 842,062	\$ 3,480,874	\$ 152,811	\$ 1,032,396

See accompanying independent auditors' report and notes to financial statements.

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2011**

	Program Services		Support Services	Total Expenses
	Workforce Development	Total Program Services	Management and General	
Payroll	\$ 124,665	\$ 2,961,950	\$ 190,848	\$ 3,152,798
Payroll taxes	9,973	236,352	16,560	252,912
Fringe benefits	19,008	534,257	8,022	542,279
Consultants and contract labor	3,449	64,118	33,903	98,021
Consumable supplies	2,237	71,039	4,273	75,312
Meetings/events/training	238	80,449	9,308	89,757
Copying & postage	381	28,801	2,777	31,578
Space and utilities	23,459	227,944	21,464	249,408
Equipment lease/rental/computer expense	197	32,314	7,404	39,718
Repairs and maintenance	634	158,183	11,617	169,800
Travel/transportation	4,478	104,899	6,601	111,500
Other/program support	488	77,089	6,970	84,059
Weatherization material/fuel and client assistance	4,125	3,743,229	3,370	3,746,599
Indirect costs	-	-	74,279	74,279
In-kind expenses	-	875,709	-	875,709
Depreciation	457	90,340	5,111	95,451
Property taxes	-	5,473	-	5,473
Insurance	5,928	170,493	5,343	175,836
Interest expense	67	1,764	1,216	2,980
TOTAL	\$ 199,784	\$ 9,464,403	\$ 409,066	\$ 9,873,469

See accompanying independent auditors' report and notes to financial statements.

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31,**

	2011
OPERATING ACTIVITIES	
Change in net assets	\$ (234,564)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	95,451
Changes in operating assets and liabilities	
(Increase) Decrease in accounts receivable	(193,222)
(Increase) Decrease in inventory	(30,644)
(Increase) Decrease in prepaid expenses	(25,179)
Increase (Decrease) in accounts payable	(67,389)
Increase (Decrease) in accrued payroll	5,661
Increase (Decrease) in accrued expenses	(35,464)
Increase (Decrease) in accrued compensated absences	35,476
Increase (Decrease) in deferred revenue	77,373
Increase (Decrease) in security deposits payable	29,770
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(342,731)
INVESTING ACTIVITIES	
Acquisition of assets	(107,642)
Proceeds from sale of assets	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	(107,642)
FINANCING ACTIVITIES	
Advances (payments) on line of credit	(36,195)
Principal (payment) on long-term debt	(10,401)
NET CASH PROVIDED BY FINANCING ACTIVITIES	(46,596)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(496,969)
CASH AND CASH EQUIVALENTS - JULY 1	794,121
CASH AND CASH EQUIVALENTS - JUNE 30	\$ 297,152
RECONCILIATION OF CASH BALANCE TO FINANCIAL POSITION PRESENTATION:	
Cash	\$ 279,981
Security deposits	17,171
Total	\$ 297,152
SUPPLEMENTAL DISCLOSURE OF CASH FLOW	
Cash paid during the year for:	
Interest	\$ 2,980

See accompanying independent auditors' report and notes to financial statements.

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Community Action Partnership of Strafford County (CAP) is a 501(c)(3) private non-profit organization that works with community agencies, private businesses and local municipalities to assist low income residents in their efforts to become or remain financially and socially independent. Established in 1965 under the provisions of the Equal Opportunity Act of 1964, the agency assists clients to meet their basic needs, including food, education, child care, utilities assistance, transportation, housing, emergency shelter and access to other services. Our Mission: To educate, advocate and assist people in Strafford County to help meet their basic needs.

CAP is funded by Federal, State, county and local funds (13 cities and towns in Strafford County) as well as United Way grants, foundation and charitable grant funds, fees for service, private business donations and donations from individuals. CAP administers a wide range of coordinated programs designed to have a measurable impact on poverty and health status among the most vulnerable residents: those under the age of six, the elderly and those living in poverty. In addition to our administrative office located in Dover, CAP maintains its outreach capacity by operating program offices in Farmington, Milton, Rochester, Dover and Somersworth.

Basis of Presentation

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Allowance for Doubtful Accounts

The accounts receivable allowance for doubtful accounts is based upon an analysis of the credit history with customers having outstanding balances and current relationships with them.

Inventory

Materials are valued at the lower of cost or market, using the first-in, first-out method.

Property and Equipment

Property and equipment, which have a cost greater than \$5,000, are capitalized at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed by the straight-line method over the estimated useful lives of the assets. Specific grants and awards may have a threshold lower than this amount and that program will abide by those guidelines.

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

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

None of the estimates used in preparing the financial statements are considered significant.

In-Kind Contributions

Donated services are recognized as contributions if the services (1) create or enhance nonfinancial assets or require specialized skills, (2) are performed by people with those skills, and (3) would otherwise be purchased by the CAP. The requirements are different than the in-kind requirements of the CAP's grant awards.

Cash Equivalents

For the statement of cash flows, all unrestricted investment instruments with original maturities of three months or less are cash equivalents. The CAP had no cash equivalents at year end.

NOTE 2 - CASH

The CAP maintains its cash balances at several financial institutions located in New Hampshire. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2011, the CAP's uninsured balances totaled \$415,247. In January 2010, the CAP entered into an agreement with the financial institutions to collateralize the balances in excess of \$250,000.

NOTE 3 - ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts was estimated to be \$0 at December 31, 2011.

NOTE 4 - LINE OF CREDIT

The CAP had a revolving line of credit with a bank in the amount of \$150,000. The note was due on November 3, 2011. Interest is stated at the prime plus 1%. The note is collateralized by all the assets of the CAP. The financial institution has chosen to not call due the note and continues to accept monthly installments of \$1,265.

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

NOTE 5 - LONG-TERM DBT

	2011	2010
7.5% mortgage payable to a financial institution in monthly installments for principal and interest of \$1,209 through October 2012 with a final payment of \$34,295 that will be due in November 2012. The note is collateralized by a first mortgage lien and assignment of leases and rents on certain real estate of the Agency.	\$ 43,842	\$ 68,197
Total long-term debt	\$ 43,842	\$ 68,197
Current portion	\$ 43,842	\$ 10,020
Long-term portion	-	58,177
	\$ 43,842	\$ 68,197

Principal maturities for long-term debt for the subsequent fiscal years from December 31, 2011, are as follows:

2012	\$	43,842
2013		-
2014		-
2015		-
2016		-

NOTE 6 - UNRESTRICTED NET ASSETS

None of CAP's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as unrestricted net assets.

NOTE 7 - LEASE COMMITMENTS

Facilities occupied by the CAP for its community service programs are rented under the terms of various operating leases. For the years ended December 31, 2011, the annual lease expense for the leased facilities was \$30,782. Certain equipment is leased by the CAP under the terms of various operating leases. The leases were signed in December 2009 and lease payments were to commence in 2010.

The future minimum lease payments on the above leases for the years ending December 31 are as follows:

2012	\$	31,421
2013		14,630
2014		53
2015		-
2016		-

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

NOTE 8 - RETIREMENT PLAN

The CAP maintains a voluntary contributory 403(b) plan for its employees who have completed one year of service with the CAP. The CAP matches 25% of employee contributions to the plan, to a maximum of 5% of salaries. Plan contributions are fully vested and non-forfeitable when contributions are made to the plan. Retirement plan contributions for the year ended December 31, 2011 totaled \$18,802.

NOTE 9 - CONTINGENCIES

The CAP receives grant funding from various sources. Under the terms of these agreements, the CAP is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the CAP might be required to repay the funds. No provisions have been made for this contingency because specific amounts, if any, have not yet been determined.

NOTE 10 - INCOME TAXES

Community Action Partnership of Strafford County is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from New Hampshire business enterprise tax.

NOTE 11 - CONCENTRATION OF REVENUE

For the years ended December 31, 2011, a large percentage of the CAP's revenues are from two contractors, the Federal Government and the State of New Hampshire Government. It is always considered to be at least reasonably possible that any contractor could be lost in the near term, but Management feels this risk is of no particular concern at this time.

NOTE 12 - MANAGEMENT REVIEW

Management has reviewed subsequent events as of September 27, 2012, the date the financial statements were available to be issued. At that time, there were no material subsequent events.



Article II – Statement of Purpose

This organization was formed by the residents within Strafford County, State of New Hampshire, for the express purpose of initiating and administering such measures as are found and deemed necessary for the eradication of poverty within the County, and to that end shall employ those means made available under the Economic Opportunity Act of 1964, as amended. The above is construed to mean that the intent of this Agency is to utilize and mobilize present and future resources from federal, public or private sources to the end the poverty related activities will bear considerable impact on poverty in the County, subject to the provisions of the Community Service Block Grant and the guidelines issued by the State of New Hampshire pursuant to the Community Services Block Grant.

The purpose of this organization shall be served through the following activities:

1. The continuing examination of the extent and nature of poverty in the County, and into the variety and adequacy of existing relevant.
2. The coordination of existing and future programs with a purpose or a potential for combating poverty.
3. The proposing and planning of needed programs.
4. By securing and operating grants and awards for programs consistent with and appropriate to the purposes of the organization.

Community Action Partnership of Strafford County
Administrative & Weatherization Office, 270 County Farm Road, Dover, NH 603-516-8130
Mailing address: P.O. Box 160, Dover, NH 03821-0160

Outreach Offices:

61 Locust Street, Dover 603-516-8126
527 Main Street, Farmington 603-516-8191
1 Wakefield Street, Rochester 603-516-8131

Head Start Centers:

62A Whittier Street, Dover 603-742-1732
120 Main Street, Farmington 603-755-2883
55 Industrial Drive, Milton 603-652-0990
150 Wakefield Street, Rochester 603-335-3611
9 Bartlett Avenue, Somersworth 603-692-6367

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY BOARD OF DIRECTORS

Name	Address	Email	Phone	Sector
Rev. Mark Rideout Board Chairperson	6 Glenview Road Somersworth, NH 03878	bristol@somersworthfirstparish.org (work) kazarad@comcast.net (home)	603-692-2057 work 603-742-4296 Hm-	Private-Faith Based Somersworth First Parish Church
Carol Garlough Vice-Chair	311 Route 106 Somersworth, NH 03878	garlough@woodwinch.org	603-749-2346 work	Private-Healthcare Goodwin Community Health Center
Amy Michaels Secretary	35-2 Wildflower Circle Somersworth, NH 03878	amichaels@sau56.org	603-953-7349 work	Public-Early Education Somersworth High School
Jeni Mosca Treasurer	51 West High Street Somersworth, NH 03878	imosca@sau56.org	603-692-4450	Superintendent SAU 56- Education
Timothea Smith	206 Silver Street Dover, NH 03820	timotheas@comcast.net	603-343-1381 home	Consumer
David A. Terlemezian	Dover Police Department 46 Locust Street Dover, NH 03820	D.Terlemezian@dover.nh.gov	742-4646 (work) 749-3956 (fax)	Public Captain Dover Police Department
Arianna Adams	270 County Farm Road Dover, NH 03820		603-516-8130	Head Start Policy Council
Lori Hults	845 Central Avenue Dover, NH 03820	Hults@banknh.com	603-527-7231	Business- Bank of NH
Kimberly Alty	537 Central Avenue Dover, NH 03820	kimberly.alty@peoples.com (work) 11087@comcast.net (home)	603-749-2150 work	Private-Finance Peoples United Bank, Dover
Don Routhier	Law Offices of Don Routhier 217 High St. Somersworth, NH 03878	routhier-lawoffice@comcast.net	603-692-3655 work	Business-Legal Routhier Law Office
Jason Shute	PO Box 285 Milton, NH 03851	jasondshute@yahoo.com (home)	603-767-7328	Consumer

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY BOARD OF DIRECTORS

Name	Address	Email	Phone	Sector
Carrie Keech	633 Central Ave. Dover, NH 03820	ckeech@fsbdover.com	603-842-6453 work 603-767-5392 mobile	AVP of Retail Lending- Federal Savings Bank
Colene M. Arnold, MD	770 Central Ave. Dover, NH 03820	carnold@gwhc.com	603-742-0101 work 603-634-0766 mobile	Garrison Women's Health Center

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 Community Action Partnership of Strafford County is a New Hampshire nonprofit corporation formed May 25, 1965. 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 3rd day of April A.D. 2013

William M. Gardner

William M. Gardner
Secretary of State



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

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

Nicholas A. Toumpas
 Commissioner

Maggie Bishop
 Director

May 6, 2011

G&C Approved

His Excellency, Governor John H. Lynch
 and the Honorable Executive Council
 State House
 Concord, New Hampshire 03301

Date 6/8/11
 Item # 105

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to enter into an agreement with HUB Family Support Center, Dover, NH (Vendor #158720 B001), for the provision of comprehensive family support services in the Rochester region, effective July 1, 2011 or date of Governor and Executive Council approval, whichever comes later, through June 30, 2013, in an amount not to exceed \$183,840.00. Funds for this purpose are anticipated to be available in State Fiscal Years 2012 and 2013 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts, if needed and justified, between State Fiscal Years:

05-95-40-404010-5850 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, TITLE XX GRANTS - SSBG

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130302	\$72,920.00	\$72,920.00	\$145,840.00

05-95-40-404010-5847 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, PROMOTING SAFE-STABLE FAMILIES

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130007	\$19,000.00	\$19,000.00	\$38,000.00
Total:			\$91,920.00	\$91,920.00	\$183,840.00

EXPLANATION

The above action is requested for the provision of comprehensive family support services to families within the Rochester region. Throughout the state, local agencies provide a range of support services to families and children that focus on strengthening, supporting and building on the strengths and skills of individuals. These services adhere to a nationally recognized set of values and principles centered on the empowerment of individuals, families and communities. Since State Fiscal Year 2002, the Division for Children, Youth and Families has formalized partnerships, through the contracting process, with one local agency per catchment area,

May 6, 2011

Page 2

to provide services to families experiencing stressors that could cause them to become involved with the Division should they not obtain sufficient support to address their family's needs.

Comprehensive family support services seek to prevent family problems by strengthening parent-child relationships and by providing parents what they need to be good nurturers and providers. The program delivers a wide array of services through a single point of entry and ensures that families can access the services in their home communities, and from agencies and partners that know the individuals and characteristics of the communities that they serve. Services include: visiting family homes to establish a trusting, non-threatening relationship with which the family's needs can be identified; educating parents about their child(ren)'s medical and health needs; linking parents with early childhood care programs and teaching them about child development; supporting and educating parents through peer parent support groups; linking parents with literacy programs to either help parents learn to read or to teach them the importance of reading to their child(ren); family mentoring and advocacy to improve parenting skills, self-sufficiency, family functioning, and reduce the likelihood of abuse and neglect; life skills training to address the family's needs in the context of budgeting, nutrition counseling, financial management, job security, etc. (particularly helpful to young parents); and short-term child placement/respite care to help families ensure their child(ren) are cared for when the parent is temporarily unable to do so.

Through the provision of comprehensive family support services families receive needed services in the most non-intrusive, non-stigmatizing and most efficient manner possible. Over the last six years, the Division for Children, Youth and Families has identified several proven outcomes for participating families, such as not becoming involved in other systems of care, becoming actively engaged with their community, and learning how to pursue and achieve healthy goals. The success of these prevention oriented services helps the Division for Children, Youth and Families achieve its mission, in that children live in nurturing families, and play and go to schools in communities that are safe and cherish children.

Competitive Bidding Process

On February 28, 2011, the Division issued a Request for Proposal for this program. The Request for Proposals was published on the Department of Health and Human Services website and the Division also announced the release of the Request for Proposals via a letter sent to 30 area agencies. As part of the bidding process a bidders conference was held on March 14, 2011 and representatives from fourteen agencies attended. Two agencies presented letters of intent to bid for the Rochester region and subsequently submitted proposals: The HUB Family Support Center and Community Partners.

The Request for Proposals included evaluation criteria and a description of factors that the Division for Children, Youth and Families would utilize in assessing the effectiveness of proposals received. The Division formed an Evaluation Committee comprised of Division staff from the Bureau of Family and Community-Based Services, as well as staff from the Child Well-Being Bureau and the Division's Financial Analyst and Contract Specialist. Committee members individually reviewed both proposals; out of 100 possible points the HUB Family Support Center's proposal scored an average of 84.8 points, while Community Partner's proposal scored an average 79.2 points. As a result, the Committee recommended awarding an agreement to HUB Family Support Center to serve the Rochester region.

The HUB has provided comprehensive family support services in this region for the last six years and has received favorable satisfaction ratings. During State Fiscal Year 2010 the agency provided services to 124 children and adults in the Rochester region, including, but not limited to, Life Skills Training, Literacy Education & Support, Family Mentoring & Advocacy, and Parent Education & Support.

Agreement Terms

The agreement calls for the provision of these services for two years and reserved the Division's right to renew them for up to four additional years based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Council approval. The HUB Family Support Center has provided its services well and is favorably rated by the families it serves in the Rochester region. Supporting Federal Funds continue to be available for these services and the HUB further supports the program by contributing at least 25% of the cost of service provision through contractor match dollars, in effective eliminated the need for matching General Funds.

In the event that this contract is not approved by the Governor and Executive Council, children and families will go without preventative services resulting in the very real likelihood of increased maltreatment of children in this state.

Geographic area served: Rochester catchment area.

Source of funds: 100% Federal Funds from the US Department of Health and Human Services.

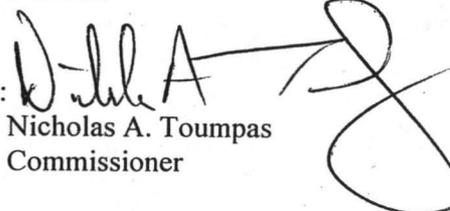
In the event that the Federal funds become no longer available, General funds will not be requested to support this program.

Respectfully submitted,



Maggie Bishop
Director

Approved by:



Nicholas A. Toumpas
Commissioner



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/11/2013

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

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

PRODUCER CGI Insurance PO Box 1260 North Hampton NH 03862	CONTACT NAME: Kathleen M. Flibotte, CISR PHONE (A/C, No, Ext): 603.898.6500 FAX (A/C, No): 603.870.9444 E-MAIL ADDRESS: kflibotte@dbwarlick.com PRODUCER CUSTOMER ID#:
INSURED Community Action Partnership of Strafford County & CAP of Strafford County Head Start, PO Box 160 Dover NH 038211060	INSURER(S) AFFORDING COVERAGE INSURER A: Peerless Insurance Company INSURER B: Travelers Indemnity Co INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES **CERTIFICATE NUMBER:** 12/13 Master **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			CBP8935364	12/31/2012	12/31/2013	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/PROP AGG \$ 2,000,000
	GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJ-JECT <input type="checkbox"/> LOC						
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			BA8939564	12/31/2012	12/31/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
A	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000			CU8939364	12/31/2012	12/31/2013	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N <input type="checkbox"/> N/A	6KUB5B34239-1-12	12/31/2012	12/31/2013	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L EACH ACCIDENT \$ 500,000 E.L DISEASE - EA EMPLOYEE \$ 500,000 E.L DISEASE - POLICY LIMIT \$ 500,000
A	Errors & Omissions Liability			CBP8935364	12/31/2012	12/31/2013	Limit: \$1,000,000/\$1,000,000 Deductible: 1000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Workers Compensation Coverage - STATUTORY STATE: NH The following Officers have not elected coverage under the Workers Compensation: Mark Rideout President, Carol Garlough VP, Jennifer Soldati Treas

CERTIFICATE HOLDER**CANCELLATION**

State of NH: DHHS
 Director, Division for Children, Youth an
 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

Edward Young/KF



State of New Hampshire
Department of Health and Human Services
Amendment #1 to the *Comprehensive Family Support Service Contract*

This **1st** Amendment to the ***Comprehensive Family Support Services*** contract (hereinafter referred to as "Amendment 1") dated this **22nd** day of April, **2013**, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and ***The Family Resource Center at Gorham*** (hereinafter referred to as "the Contractor"), a ***non-profit corporation*** company with a place of business at ***123 Main Street, Gorham, NH 03581***.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on **June 8, 2011 (Item# 111)**, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 and ***Exhibit C-1, section 1***, the State may, ***renew the contract for up to four additional years*** by written agreement of the parties;

WHEREAS ***the State and the Contractor have agreed that a one-year extension of the contract is agreeable to the parties;***

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

To amend as follows:

- Form P-37, Item 1.7, Completion Date shall be amended to read "June 30, 2014"
- Form P-37, Item 1.8, Price Limitation, shall be amended to read "\$273,260.00"
- Exhibit A, Scope of Services, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, Section 1, shall be amended to read "\$273,260.00"



New Hampshire DHHS

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

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

5/21/13
Date

State of New Hampshire
Department of Health and Human Services

[Signature]
Nicholas A. Toumpas
Commissioner

4/24/13
Date

The Family Resource Center at Gorham

[Signature]
Andre F. Caron
Board President

Acknowledgement:

State of New Hampshire, County of C00S on April 24 2013, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Jami Hartley
Name and Title of Notary or Justice of the Peace

TAMI LYNN HARTLEY, Justice of the Peace
My Commission Expires March 30, 2016





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

OFFICE OF THE ATTORNEY GENERAL

3 May 2013
Date

[Signature]
Name: Joanne P. Herrick
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

WITHOUT SEAL

CERTIFICATE OF VOTE

I, Katherine Baublis, of The Family Resource Center at Gorham, do hereby certify that:

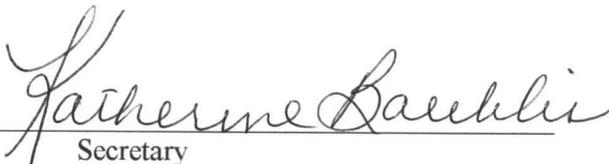
1. I am the duly elected Secretary/Treasurer of the Family Resource Center at Gorham Board of Directors
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the corporation, duly held on April 10, 2013

RESOLVED: That this corporation enters into a contracts with the State of New Hampshire, acting through its Department of Health and Human Services, Division of Public Health Services.

RESOLVED: That the President of the Family Resource Center at Gorham Board of Directors is hereby authorized on behalf of this corporation to enter into said contract with the State and to execute any and all documents, agreements, and other instruments; and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable, or appropriate. Andre F. Caron is the duly elected President of the corporation.

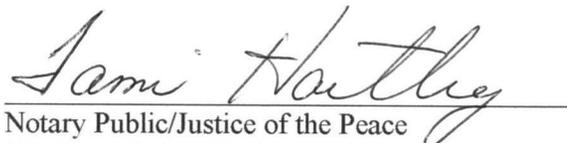
3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of April 10, 2013

IN WITNESS WHEREOF, I have hereunto set my hand as the Secretary of the corporation this 24th day of April, 2013.


Secretary

STATE OF NEW HAMPSHIRE
COUNTY OF COOS

The foregoing instrument was acknowledged before me this 24th day of April, 2013 by Katherine Baublis


Notary Public/Justice of the Peace
My Commission Expires:
TAMI LYNN HARTLEY, Justice of the Peace
My Commission Expires March 30, 2016



State of New Hampshire
Department of Health and Human Services
Division for Children, Youth and Families

EXHIBIT B-1, Comprehensive Family Support Services
PERSONNEL DATA - Family Resource Center at Gorham
State Fiscal Year 2014

	Name	Title	Annual Salary	% of Time to Work on the Project	Project Amount Charged for SFY 2014 (7/1/13 - 6/30/14)
1	Sue Watson	Director Family Services	\$ 38,838.80	50.00%	\$ 19,419.40
2	Donna Piet	Family Support Worker	\$ 27,580.00	50.00%	\$ 13,790.00
3	Tereze Gilbert	Family Support Worker	\$ 22,276.50	40.00%	\$ 8,512.40
4	Gemini Demers	Family Support Worker	\$ 12,480.00	100.00%	\$ 12,480.00
5	James Michalik	Executive Director	\$ 60,000.00	5.86%	\$ 3,516.00
6	Marie Demers	Office Manager	\$ 36,400.00	5.86%	\$ 2,133.04
7	Debbie Demers	Accountant	\$ 27,300.00	5.86%	\$ 1,599.78
8					
9					
	Total:		\$ 224,875.30		\$ 61,450.62

Contractor Initials: AFC
 Date: 4/24/13

New Hampshire Department of Health and Human Services

Bidder/Program Name: The Family Resource Center at Gorham

Budget Request for: CFSS

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

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	54201.8	7248.82	\$ 61,450.62	\$	\$ 61,450.62	
2. Employee Benefits	9994.2	1692	\$ 11,686.20	\$	\$ 11,686.20	
3. Consultants	1200	\$	\$ 1,200.00	\$ 2,400.00	\$ 3,600.00	
4. Equipment:	\$	\$	\$	\$	\$ -	
Rental	\$	\$	\$	\$	\$ -	
Repair and Maintenance	\$	\$	\$	\$	\$ -	
Purchase/Depreciation	\$	\$	\$	\$ 4,000.00	\$ 4,000.00	
5. Supplies:	983.18	\$	\$ 983.18		\$ 983.18	
Educational	\$	\$	\$	\$	\$ -	
Office	500	\$	\$ 500.00	\$ 2,000.00	\$ 2,500.00	
6. Travel	4500	\$	\$ 4,500.00	\$	\$ 4,500.00	
7. Occupancy	4000	\$	\$ 4,000.00	\$ 4,000.00	\$ 8,000.00	
8. Current Expenses	\$	\$	\$	\$	\$ -	
Telephone	2500	\$	\$ 2,500.00	\$ 2,000.00	\$ 4,500.00	
Postage	200	\$	\$ 200.00	\$ 100.00	\$ 300.00	
Subscriptions	\$	\$	\$	\$	\$ -	
Audit and Legal	1000	\$	\$ 1,000.00	\$	\$ 1,000.00	
Insurance	900	\$	\$ 900.00	\$	\$ 900.00	
Board Expenses	\$	\$	\$	\$	\$ -	
9. Software	\$	\$	\$	\$	\$ -	
10. Marketing/Communications	\$	\$	\$	\$ 2,000.00	\$ 2,000.00	
11. Staff Education and Training	500	\$	\$ 500.00	\$ 500.00	\$ 1,000.00	
12. Subcontracts/Agreements	\$	\$	\$	\$	\$ -	
13. Other (Participant support):	\$	\$	\$	\$ 12,800.00	\$ 12,800.00	
TOTAL	\$ 80,479.18	\$ 8,940.82	\$ 89,420.00	\$ 29,800.00	\$ 119,220.00	

Indirect As A Percent of Direct

0.11109482

Contractor Initials: APC

Date: 4/24/13

Financial Statements

FAMILY RESOURCE CENTER AT GORHAM

**FOR THE YEARS ENDED JUNE 30, 2012 AND 2011
AND
INDEPENDENT AUDITORS' REPORT**

FAMILY RESOURCE CENTER AT GORHAM

FINANCIAL STATEMENTS

JUNE 30, 2012

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To the Members of the Board of Directors Family
Resource Center at Gorham
Gorham, New Hampshire

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of Family Resource Center at Gorham, (a nonprofit organization) as of June 30, 2012 and 2011, and the related statements of cash flows for the years then ended and the related statements of activities and functional expenses for the year ended June 30, 2012. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information has been derived from the Organization's 2011 financial statements and, in our report dated October 17, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards that are generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and cash flows of the Family Resource Center at Gorham, as of and for the years ended June 30, 2012 and 2011, and the changes in its net assets, and functional expenses for the year ended June 30, 2012, in conformity with accounting principles generally accepted in the United States of America.

Leone, McDonnell + Roberts
Professional Association

October 11, 2012
North Conway, New Hampshire

FAMILY RESOURCE CENTER AT GORHAM

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 98,083	\$ 91,508
Certificates of deposit	79,089	156,428
Investments	174,274	162,648
Grants receivable	133,564	86,577
Prepaid expenses	6,160	7,446
	<u>491,170</u>	<u>504,607</u>
PROPERTY		
Leasehold improvements	70,231	60,496
Furniture and equipment	40,175	33,948
	<u>110,406</u>	<u>94,444</u>
Total	110,406	94,444
Less: accumulated depreciation	<u>(48,478)</u>	<u>(44,263)</u>
	<u>61,928</u>	<u>50,181</u>
Property, net	<u>61,928</u>	<u>50,181</u>
Total assets	<u>\$ 553,098</u>	<u>\$ 554,788</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 6,647	\$ 6,099
Accrued expenses	1,874	892
Agency deposits	22,172	22,167
Refundable advances	72,428	82,274
	<u>103,121</u>	<u>111,432</u>
Total current liabilities	<u>103,121</u>	<u>111,432</u>
NET ASSETS		
Unrestricted		
Designated for long-term building maintenance	9,057	6,643
Undesignated	245,178	253,570
Permanently restricted - endowment	195,742	183,143
	<u>449,977</u>	<u>443,356</u>
Total net assets	<u>449,977</u>	<u>443,356</u>
Total liabilities and net assets	<u>\$ 553,098</u>	<u>\$ 554,788</u>

See Notes to Financial Statements

FAMILY RESOURCE CENTER AT GORHAM

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE TOTALS FOR 2011**

	2012			2011 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUE AND SUPPORT				
Grants		\$ 936,227		\$ 936,227
Donations	\$ 37,284		\$ 7,989	45,273
Agency rents	36,450			36,450
Investment income			4,581	4,581
Interest income	976			976
Net unrealized investment gain			456	456
Net realized investment gain			2,171	2,171
Net assets released from restrictions	936,227	(936,227)		
Total revenues, support and net assets released from restrictions	1,010,937		15,197	1,026,134
EXPENSES				
Program services	856,387			856,387
Management and general	160,528		2,598	163,126
Total expenses	1,016,915		2,598	1,019,513
(DECREASE) INCREASE IN NET ASSETS	(5,978)		12,599	6,621
NET ASSETS - BEGINNING OF YEAR	260,213		183,143	443,356
NET ASSETS - END OF YEAR	\$ 254,235	\$	\$ 195,742	\$ 443,356

See Notes to Financial Statements

FAMILY RESOURCE CENTER AT GORHAM

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 6,621	\$ 61,434
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized gain on investments	(456)	(19,586)
Depreciation	4,215	2,978
(Increase) decrease in assets		
Grants receivable	(46,987)	(39,854)
Prepaid expenses	1,286	1,910
Increase (decrease) in liabilities		
Accounts payable	548	5,727
Accrued expenses	982	892
Agency deposits	5	11
Refundable advances	(9,846)	3,894
	<u>(43,632)</u>	<u>17,406</u>
NET CASH (PROVIDED BY) USED IN OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(15,962)	(1,877)
Purchase of investments and certificates of deposit	(11,170)	(10,316)
Proceeds from sale of investments	77,339	15,488
	<u>50,207</u>	<u>3,295</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		
NET INCREASE IN CASH AND EQUIVALENTS	6,575	20,701
CASH AND EQUIVALENTS - BEGINNING OF YEAR	<u>91,508</u>	<u>70,807</u>
CASH AND EQUIVALENTS - END OF YEAR	<u>\$ 98,083</u>	<u>\$ 91,508</u>

See Notes to Financial Statements

FAMILY RESOURCE CENTER AT GORHAM

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE TOTALS FOR 2011**

	<u>2012</u>			<u>2011</u>
	<u>Program</u>	<u>Management</u>	<u>Total</u>	<u>Total</u>
	<u>Services</u>	<u>and</u>		
		<u>General</u>		
Personnel Costs				
Salaries and wages	\$ 486,686	\$ 109,949	\$ 596,635	\$ 532,385
Payroll taxes	35,786	8,411	44,197	41,533
Employee benefits	52,994	31,181	84,175	62,201
Contractors and consultants	97,814		97,814	93,810
Program activities	50,335		50,335	34,023
Heat and utilities	21,882		21,882	19,325
Program travel	21,176		21,176	26,675
Food and supplies	20,288	354	20,642	24,340
Accounting fees	1,934	11,351	13,285	7,409
Conferences and meetings	10,283	1,071	11,354	17,773
Telephone, internet, fax and cable	10,305	301	10,606	13,266
Maintenance and inspections	7,677		7,677	6,190
Training	7,629		7,629	1,344
Liability insurance	5,363	136	5,499	6,243
Printing	5,259	6	5,265	5,333
Cleaning	4,458		4,458	6,211
Depreciation	4,215		4,215	2,978
Technology	2,976		2,976	3,500
Office supplies and expenses	2,450	366	2,816	6,896
Postage and shipping	2,137		2,137	1,653
Rent	1,400		1,400	1,500
Property insurance	884		884	900
Advertising and promotion	543		543	450
Program materials	113		113	
Parking				250
Other	1,800		1,800	1,500
Total	\$ 856,387	\$ 163,126	\$ 1,019,513	\$ 917,688

See Notes to Financial Statements

FAMILY RESOURCE CENTER AT GORHAM

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 and 2011

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Family Resource Center at Gorham (the Resource Center) is a voluntary, not-for-profit corporation incorporated under the laws of the State of New Hampshire (RSA 292) and organized exclusively for tax exempt charitable and educational purposes. The principal activity of the Resource Center is to promote and encourage community access to social, educational, medical, mental health and family related services through existing programs developed in response to identified community needs. The Resource Center also supports collaborative projects involving different agencies that create opportunities for improving and strengthening the community as a whole.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities – Presentation of Financial Statements*. Under ASC 958-205, the Resource Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The classes of net assets are determined by the presence or absence of donor restrictions. As of June 30, 2012 and 2011 the Resource Center had no temporarily restricted net assets.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Investments

Investments are accounted for according to Accounting Standards Codification (ASC) 958-320 *Not For Profit Entities – Investments – Debt and Equity Securities*. Under ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Fair values of investments are based on quoted prices in active markets for identical investments.

Property and Equipment

Property and equipment is recorded at cost if purchased and at fair value if donated. Depreciation is computed using the straight line method over the estimated useful lives of the related assets as follows:

Furniture and equipment	5 - 15 years
Leasehold improvements	20 years

The Resource Center's policy is to capitalize all assets over \$500 with an expected life of one year or longer. Assets sold or otherwise disposed of are removed from the accounts, along with the related depreciation allowance, and any gain or loss is recognized.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor or time restrictions. A temporary restriction permits the Resource Center to use donated assets as specified for a particular purpose. Permanently restricted net assets are those that are required to be permanently maintained but income from such investments may be used for specified purposes. All donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Resource Center records donor restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

Contributed Services

From time to time, the Resource Center receives donated services in carrying out the mission and fund raising activities of the Resource Center. Such donations do not meet the criteria for recognition under ASC 958 and accordingly no amounts are reflected in the financial statements for those services.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Refundable Advances

The Resource Center records grant/contract revenue as a refundable advance until it is expended for the purpose of the grant/contract, at which time it is recognized as revenue.

Income Taxes

The Resource Center is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The IRS has determined the Resource Center to be other than a private foundation. The Resource Center has no unrelated business income. Therefore, no provision for income taxes is made in the accompanying financial statements.

The Resource Center files income tax returns in the United States and New Hampshire. The Resource Center is no longer subject to United States federal or state examinations by tax authorities for years ending before 2008.

ASC 740, *Accounting for Income Taxes*, established the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. Management has analyzed the Organization's tax positions for purposes of implementation, and has concluded that no provision for income tax is required in the financial statements.

Leased Facilities

The Resource Center leases its current facility from the Town of Gorham. In lieu of rent, the Resource Center is responsible for the cost of repairs and maintenance, insurance, utilities and rubbish removal. The lease is for a 20 year period and expires on May 19, 2018. The Agency in turn sublets space in the facility to other non-profit and community agencies at an average rate of \$10 per square foot. All participating organizations must provide services to a client base that is at least 66% low and moderate income.

Grants Receivable

Grants receivable from various public and other nonprofit organizations at June 30, 2012 and 2011 were considered fully collectable and therefore no provisions for bad debts have been made in these financial statements.

Advertising

Advertising costs are expensed as incurred.

Subsequent Events

Subsequent events have been evaluated through October 11, 2012, which is the date that the financial statements were available to be issued.

Prior Year's Information

The financial statements include certain prior year summarized comparative information in total but not by function. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Resource Center's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Fair Value of Financial Instruments

ASC Topic No. 820-10, *Financial Instruments*, provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market based measurement, not an entity specific measurement, and requires expanded disclosures about fair value measurements. In accordance with FASB ASC

820-10, the Organization may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, ASC Topic 820-10 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy under ASC Topic 820-10 are described as follows:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

At June 30, 2012 and 2011, the Resource Center's investments were all classified as Level 1 and were based on fair value.

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2012 and 2011.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the Resource Center at year end.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Resource Center believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

2. AGENCY DEPOSITS

The Resource Center serves as a fiscal agent for the Androscoggin Valley Community Partners (formerly the Berlin Area Healthcare Consortium), a collaborative effort of area health and social services agencies intended to provide health related education, information and communications to the communities of Berlin and Gorham. The amounts held on behalf of the consortium as of June 30, 2012 and 2011 were \$22,172 and \$22,167, respectively.

3. **REFUNDABLE ADVANCES**

Refundable advances from program grants and contract advances at June 30, 2012 and 2011 totaled \$72,428 and \$82,274, respectively.

4. **UNRESTRICTED NET ASSETS**

Long term building maintenance that has been designated by vote of the Board of Directors was \$9,057 and \$6,643 at June 30, 2012 and 2011, respectively.

5. **INVESTMENTS**

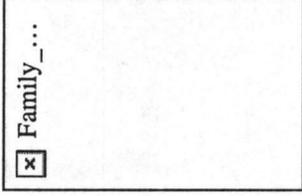
Investments held in the form of mutual funds at Bank of America are stated at fair value. Realized gains and losses are determined on the specific identification method. Gains and loss (realized and unrealized) are reported in the statement of activities as increases or decreases to unrestricted net assets, except for those investments for which their use is restricted. Information on investments at June 30, 2012 and 2011 is presented as follows:

<u>Year</u>	<u>Investment</u>	<u>Cost</u>	<u>Market Value</u>	Excess (Deficiency) of Market Over <u>Cost</u>	<u>Investment Income</u>
2012	Bank of America	\$162,556	\$174,274	\$11,718	\$4,581
2011	Bank of America	\$151,385	\$162,648	\$11,263	\$3,679

6. **PERMANENTLY RESTRICTED NET ASSETS**

In 2007, the Resource Center established a permanent endowment fund for the organization with the intent of accumulating donations and interest earnings of one million dollars and then to use the investment earnings thereafter to support the operations of the center. Fund activity was as follows:

	<u>Balances as of June 30, 2011</u>	<u>Activity for the Year Ended June 30, 2012</u>	<u>Balances as of June 30, 2012</u>
Permanent gifts	\$160,179	\$ 7,989	\$168,168
Investment earnings	16,113	4,581	20,694
Realized (loss) gain	1,130	2,171	3,301
Investment expense	(5,541)	(2,598)	(8,139)
Unrealized (loss) gain	<u>11,262</u>	<u>456</u>	<u>11,718</u>
	<u>\$183,143</u>	<u>\$ 12,599</u>	<u>\$195,742</u>



Family Resource Center Mission Statement

To build healthier families and stronger communities through positive relationships, programs, and collaborations in the North Country.



The Family Resource Center

123 Main Street
Gorham, NH 03581
603-466-5190 (T)
603-466-9022 (F)

Satellite Offices in Lancaster, Colebrook and Littleton, NH

Hon. James E. Michalik, *Retired*
Executive Director
www.frc123.org

2012-2013

Board of Directors	Title	Term
Andre Caron	President	2011
Patti Stolte	Vice President	2011
Katherine Baublis	Secretary/ Treasurer	2009
Scott Gregory		2011
Eric Lapointe		2011
Linda Pivin		2012
Nathan Morin		2013

*Strengthening Families . . . Building Communities
Serving the North Country for 15 years*



Selected as 2012 Winner



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 FAMILY RESOURCE CENTER AT GORHAM is a New Hampshire nonprofit corporation formed April 3, 1997. 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 9th day of April A.D. 2013

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

JN



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

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

Nicholas A. Toumpas
Commissioner

Maggie Bishop
Director

May 9, 2011

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

G&C Approved

Date 6/8/11
Item # 11

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to enter into an agreement with the Family Resource Center at Gorham, Gorham, NH (Vendor #162412 B001), for the provision of comprehensive family support services in the Berlin region, effective July 1, 2011 or date of Governor and Executive Council approval, whichever comes later, through June 30, 2013, in an amount not to exceed \$183,840.00. Funds for this purpose are anticipated to be available in State Fiscal Years 2012 and 2013 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts, if needed and justified, between State Fiscal Years:

05-95-40-404010-5850 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, TITLE XX GRANTS - SSBG

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130302	\$72,920.00	\$72,920.00	\$145,840.00

05-95-40-404010-5847 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, PROMOTING SAFE-STABLE FAMILIES

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130007	\$19,000.00	\$19,000.00	\$38,000.00
Total:			\$91,920.00	\$91,920.00	\$183,840.00

EXPLANATION

The above action is requested for the provision of comprehensive family support services to families within the Berlin region. Throughout the state, local agencies provide a range of support services to families and children that focus on strengthening, supporting and building on the strengths and skills of individuals. These services adhere to a nationally recognized set of values and principles centered on the empowerment of individuals, families and communities. Since State Fiscal Year 2002, the Division for Children, Youth and Families has formalized partnerships, through the contracting process, with one local agency per catchment area,

May 9, 2011

Page 2

to provide services to families experiencing stressors that could cause them to become involved with the Division should they not obtain sufficient support to address their family's needs.

Comprehensive family support services seek to prevent family problems by strengthening parent-child relationships and by providing parents what they need to be good nurturers and providers. The program delivers a wide array of services through a single point of entry and ensures that families can access the services in their home communities, and from agencies and partners that know the individuals and characteristics of the communities that they serve. Services include: visiting family homes to establish a trusting, non-threatening relationship with which the family's needs can be identified; educating parents about their child(ren)'s medical and health needs; linking parents with early childhood care programs and teaching them about child development; supporting and educating parents through peer parent support groups; linking parents with literacy programs to either help parents learn to read or to teach them the importance of reading to their child(ren); family mentoring and advocacy to improve parenting skills, self-sufficiency, family functioning, and reduce the likelihood of abuse and neglect; life skills training to address the family's needs in the context of budgeting, nutrition counseling, financial management, job security, etc. (particularly helpful to young parents); and short-term child placement/respite care to help families ensure their child(ren) are cared for when the parent is temporarily unable to do so.

Through the provision of comprehensive family support services families receive needed services in the most non-intrusive, non-stigmatizing and most efficient manner possible. Over the last six years, the Division for Children, Youth and Families has identified several proven outcomes for participating families, such as not becoming involved in other systems of care, becoming actively engaged with their community, and learning how to pursue and achieve healthy goals. The success of these prevention oriented services helps the Division for Children, Youth and Families achieve its mission, in that children live in nurturing families, and play and go to schools in communities that are safe and cherish children.

Competitive Bidding Process

On February 28, 2011, the Division issued a Request for Proposal for this program. The Request for Proposals was published on the Department of Health and Human Services website and the Division also announced the release of the Request for Proposals via a letter sent to 30 area agencies. As part of the bidding process a bidders conference was held on March 14, 2011 and representatives from fourteen agencies attended. Two agencies presented letters of intent to bid for the Berlin region and subsequently submitted proposals: The Family Resource Center at Gorham and Eckerd Youth Alternatives.

The Request for Proposals included evaluation criteria and a description of factors that the Division for Children, Youth and Families would utilize in assessing the effectiveness of proposals received. The Division formed an Evaluation Committee comprised of Division staff from the Bureau of Family and Community-Based Services, as well as staff from the Child Well-Being Bureau and the Division's Financial Analyst and Contract Specialist. Committee members individually reviewed both proposals; out of 100 possible points the Family Resource Center's proposal scored an average of 89 points, while Eckerd Youth Alternatives' proposal scored an average 83.3 points. As a result, the Committee recommended awarding an agreement to the Family Resource Center at Gorham to serve the Berlin region.

The Family Resource Center at Gorham has provided comprehensive family support services in this region for the last six years and has received favorable satisfaction ratings. During State Fiscal Year 2010 the agency provided services to 173 children and adults in the Berlin region, including, but not limited to, Life Skills Training, Literacy Education & Support, Family Mentoring & Advocacy, and Parent Education & Support.

Agreement Terms

The agreement calls for the provision of these services for two years and reserved the Division's right to renew them for up to four additional years based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Council approval. The Family Resource Center at Gorham has provided its services well and is favorably rated by the families it serves in the Berlin region. Supporting Federal Funds continue to be available for these services and the Family Resource Center at Gorham further supports the program by contributing at least 25% of the cost of service provision through contractor match dollars, in effective eliminated the need for matching General Funds.

In the event that this contract is not approved by the Governor and Executive Council, children and families will go without preventative services resulting in the very real likelihood of increased maltreatment of children in this state.

Geographic area served: Berlin catchment area.

Source of funds: 100% Federal Funds from the US Department of Health and Human Services.

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

Respectfully submitted,

Maggie Bishop
(REB)

Maggie Bishop
Director

Approved by:

Nicholas A. Toumpas

Nicholas A. Toumpas
Commissioner



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/2/2013

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

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

PRODUCER E & S Insurance Services LLC 21 Meadowbrook Lane P O Box 7425 Gilford NH 03247-7425	CONTACT NAME: Fairley Kenneally PHONE (A/C, No, Ext): (603) 293-2791 FAX (A/C, No): (603) 293-7188 E-MAIL ADDRESS: fairley@esinsurance.com	
	INSURER(S) AFFORDING COVERAGE INSURER A: Great American Ins Group INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	NAIC #
INSURED Family Resource Center at Gorham 123 Main Street Gorham NH 03581		

COVERAGES **CERTIFICATE NUMBER:** 2013-14 **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 checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			MAC3793560-07	5/10/2012	5/10/2013	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			MAC3793560-07	05102013	05102014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB EXCESS LIAB DED RETENTION \$						OCCUR CLAIMS-MADE EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

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

CERTIFICATE HOLDER Director, Div of Public Health Services NH Dept of Health & Human Services 29 Hazen Drive Concord, NH 03301-6504	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE F Kenneally/FAIRLE <i>Fairley Kenneally</i>
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**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the *Comprehensive Family Support Service Contract***

This **1st** Amendment to the ***Comprehensive Family Support Services*** contract (hereinafter referred to as "Amendment 1") dated this **22nd** day of April, **2013**, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and ***Families First of the Greater Seacoast*** (hereinafter referred to as "the Contractor"), a ***non-profit corporation*** company with a place of business at ***100 Campus Drive, Suite 12, Portsmouth, NH 03801***.

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

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 and ***Exhibit C-1, section 1***, the State may, ***renew the contract for up to four additional years*** by written agreement of the parties;

WHEREAS ***the State and the Contractor have agreed that a one-year extension of the contract is agreeable to the parties;***

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

To amend as follows:

- Form P-37, Item 1.7, Completion Date shall be amended to read "June 30, 2014"
- Form P-37, Item 1.8, Price Limitation, shall be amended to read "\$273,260.00"
- Exhibit A, Scope of Services, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, Section 1, shall be amended to read "\$273,260.00"



New Hampshire DHHS

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

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

5/21/13
Date

State of New Hampshire
Department of Health and Human Services

William A. Toumpas
Nicholas A. Toumpas
Commissioner

Families First of the Greater Seacoast

4/24/13
Date

Helen B. Taft
Helen B. Taft
Executive Director and President

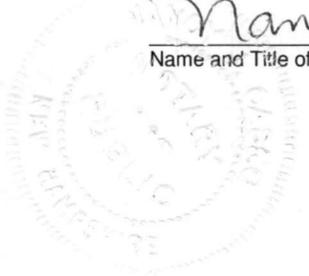
Acknowledgement:

State of NH, County of Rockingham on 4/24/13, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Nancy Casco, Notary
Name and Title of Notary or Justice of the Peace

My Commission Expires March 7, 2017



New Hampshire DHHS



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

OFFICE OF THE ATTORNEY GENERAL

3 May 2013
Date

[Signature]
Name: James P. Henrich
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

CERTIFICATE OF VOTE

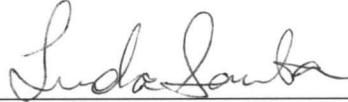
I, Linda Sanborn, do hereby certify that:

1. I am the duly elected Treasurer of Families First of the Greater Seacoast;
2. The following are true copies of two resolutions duly adopted at a meeting by the Board of Directors of the Corporation duly held on April 24, 2013.

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

RESOLVED: That the Director of Families First of the Greater Seacoast is hereby authorized to execute any and all documents, agreements, and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

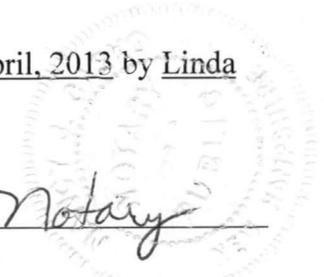
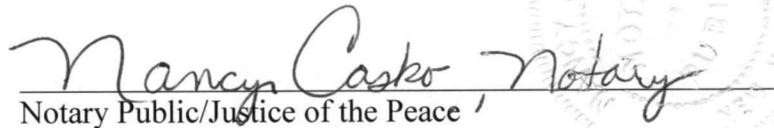
3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 24th day of April, 2013.
4. Helen B. Taft is the duly elected Director of the Corporation.



Linda Sanborn, Treasurer

STATE OF NEW HAMPSHIRE
COUNTY OF ROCKINGHAM

The foregoing instrument was acknowledged before me this 24th day of April, 2013 by Linda Sanborn.



Notary Public/Justice of the Peace

My Commission Expires: My Commission Expires March 7, 2017

State of New Hampshire
Department of Health and Human Services
Division for Children, Youth and Families

EXHIBIT B-1, Comprehensive Family Support Services
PERSONNEL DATA - Families First of the Greater Seacoast
State Fiscal Year 2014

	Name	Title	Annual Salary	% of Time to Work on the Project	Project Amount Charged for SFY 2014 (7/1/13 - 6/30/14)
1	Clark, Georgie	Program Director & Parent Coordinator	\$ 55,432.00	25%	\$ 13,858.00
2	Searle-Spratt, Beth	Family Worker	\$ 27,597.00	100%	\$ 27,597.00
3	Evans, Melodie	Family Worker	\$ 34,965.00	70%	\$ 24,475.00
4	Clement, JoAnn	Administrative Assistant	\$ 10,660.00	40%	\$ 4,264.00
5	Fifield, Peter	Behavioral Health Mngr/Clinical Supervisor	\$ 57,117.00	3%	\$ 1,714.00
6	To be determined	Program Assistants (per diem)	\$ 3,900.00	100%	\$ 3,900.00
7			\$ -		\$ -
8					
9					
		Total:			\$ 75,808.00

B-2, Comprehensive Family Support Services
 Families First of the Greater Seacoast

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	75808	\$	75808	22758	98566	
2. Employee Benefits	9402	\$	9402	9276	18678	
3. Consultants	\$	\$	\$	2000	2000	
4. Equipment:	\$	\$	\$	\$	\$	
Rental	\$	\$	\$	\$	\$	
Repair and Maintenance	\$	\$	\$			
Purchase/Depreciation	\$	\$	\$	1000	1000	
5. Supplies:	\$	\$	\$	\$	\$	
Educational	\$	\$	\$	2500	2500	
Office	\$	\$	\$	2500	2500	
6. Travel	4210	\$	4210	3500	7710	
7. Occupancy	\$	\$	\$	18430	18430	
8. Current Expenses	\$	\$	\$	\$	\$	
Telephone	\$	\$	\$	200	200	
Postage	\$	\$	\$	200	200	
Subscriptions	\$	\$	\$	\$		
Audit and Legal	\$	\$	\$	\$	\$	
Insurance	\$	\$	\$	1500	1500	
Board Expenses	\$	\$	\$	\$	\$	
9. Software	\$	\$	\$	\$	\$	
10. Marketing/Communications	\$	\$	\$	1000	1000	
11. Staff Education and Training	\$	\$	\$	1500	1500	
12. Subcontracts/Agreements	\$	\$	\$	\$	\$	
13. Other (specific details mandatory): Flex funds for client needs as well as repite funds for caregivers	\$	\$	\$	3000	3000	
TOTAL	\$ 89,420.00	\$ -	\$ 89,420.00	\$ 69,364.00	\$ 158,784.00	

Indirect As A Percent of Direct

0

Contractor Initials: 1/25

Date: 4/24/13

Families First of the Greater Seacoast

Financial Report

June 30, 2012

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Independent Auditors' Report

To The Board of Directors
Families First of the Greater Seacoast
Portsmouth, New Hampshire

We have audited the accompanying statements of financial position of Families First of the Greater Seacoast (a nonprofit organization) as of June 30, 2012 and 2011, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families First of the Greater Seacoast as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Macpage LLC

Augusta, Maine
November 13, 2012

1



Macpage LLC

30 Long Creek Drive, South Portland, ME 04106-2437 | 207-774-5701 | 207-774-7835 fax | www.macpage.com
One Market Square, Augusta, ME 04330-4637 | 207-622-4766 | 207-622-6545 fax

macpage.com

An Independently Owned Member, McGladrey Alliance
McGladrey Alliance is a member affiliation of independent accounting and consulting firms. McGladrey Alliance member firms maintain the responsibility for their own independence and are responsible for their own client fee arrangements, delivery of services, and quality control of their relationships.

Families First of the Greater Seacoast

Statements of Financial Position

June 30,

	2012	2011
ASSETS		
Current Assets		
Cash (note 2)	\$ 401,498	\$ 271,207
Cash, fiscal agent (note 9)	3,195	4,045
Grants receivable (note 3)	60,265	82,852
Accounts receivable, net (notes 1 and 4)	134,102	150,913
Current portion of pledges receivable (notes 1 and 5)	199,012	209,024
Other receivables (note 6)	52,998	4,924
Prepaid expenses	20,149	38,106
Total Current Assets	<u>871,217</u>	<u>761,071</u>
Non-Current Assets		
Pledges receivable, net of current (notes 1 and 5)	<u>108,301</u>	69,910
Property and Equipment, Net (Notes 1 and 7)	<u>336,726</u>	<u>372,690</u>
Investments		
Endowment (note 8)	1,267,448	1,326,371
Board designated	62,409	60,191
Total Investments	<u>1,329,857</u>	<u>1,386,562</u>
Total Assets	<u>\$ 2,646,101</u>	<u>\$ 2,590,233</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 63,918	\$ 46,815
Accrued expenses	224,664	217,950
Amount due, fiscal agent (note 9)	3,195	4,045
Deferred revenue	113,574	50,000
Total Current Liabilities	<u>405,351</u>	<u>318,810</u>
Net Assets		
Unrestricted	622,628	639,253
Temporarily restricted (notes 8 and 12)	417,935	431,983
Permanently restricted (notes 8 and 13)	1,200,187	1,200,187
Total Net Assets	<u>2,240,750</u>	<u>2,271,423</u>
Total Liabilities and Net Assets	<u>\$ 2,646,101</u>	<u>\$ 2,590,233</u>

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

Families First of the Greater Seacoast

Statements of Activities

Year ended June 30,

2012

PUBLIC SUPPORT AND REVENUES:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support	\$ 609,023	\$ 713,725		\$ 1,322,748
Contributions	1,620,254			1,620,254
Grants and contracts	2,229,277	713,725		2,943,002
Total public support	1,656,550			1,656,550
Revenues				
Net patient service revenue (note 11)		36,260		36,260
Investment income - endowment (note 8)	2,046			2,046
Investment income - board designated		(56,885)		(56,885)
Unrealized loss on investments - endowment	174			174
Unrealized gain on investments - board designated	54,135			54,135
Miscellaneous	1,712,905	(20,625)		1,692,280
Total revenue	3,942,182	693,100		4,635,282
Public support and revenues	707,148	(707,148)		
Net Assets Released from Restrictions	4,649,330	(14,048)		4,635,282

TOTAL PUBLIC SUPPORT AND REVENUES

EXPENSES

Program services	3,990,753			3,990,753
Management and general	518,091			518,091
Fundraising	157,111			157,111
Total expenses	4,665,955			4,665,955
CHANGE IN NET ASSETS	(16,625)	(14,048)		(30,673)

CHANGE IN NET ASSETS

NET ASSETS, BEGINNING OF YEAR	639,253	431,983	\$ 1,200,187	2,271,423
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NET ASSETS, END OF YEAR

NET ASSETS, END OF YEAR	\$ 622,628	\$ 417,935	\$ 1,200,187	\$ 2,240,750
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See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

Families First of the Greater Seacoast

Statements of Activities - Continued

Year ended June 30,

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
PUBLIC SUPPORT AND REVENUES:				
Public Support	\$ 1,130,095	\$ 582,853		\$ 1,712,948
Contributions	1,243,227			1,243,227
Grants and contracts	2,373,322	582,853		2,956,175
Total public support	1,632,887	17,375		1,632,987
Revenues				
Net patient service revenue (note 11)		17,375		17,375
Investment income - endowment (note 8)	2,506			2,506
Investment income - board designated	69,991	160,336		230,327
Unrealized gain on investments - endowment	3,492			3,492
Unrealized gain on investments - board designated	35,855			35,855
Miscellaneous	1,744,731	177,711		1,922,442
Total revenue	4,118,053	760,564		4,878,617
Public support and revenues	580,648	(580,648)		
Net Assets Released from Restrictions	4,598,701	179,916		4,878,617
TOTAL PUBLIC SUPPORT AND REVENUES				
EXPENSES				
Program services	3,930,087			3,930,087
Management and general	524,345			524,345
Fundraising	165,991			165,991
Total expenses	4,620,423			4,620,423
CHANGE IN NET ASSETS	78,278	179,916		258,194
NET ASSETS, BEGINNING OF YEAR	560,975	252,067	\$ 1,200,187	2,013,229
NET ASSETS, END OF YEAR	\$ 639,253	\$ 431,983	\$ 1,200,187	\$ 2,271,423

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

Families First of the Greater Seacoast

Statements of Cash Flow

Years ended June 30,

	2012	2011
Cash flows from operating activities		
Change in net assets	<u>\$ (30,673)</u>	<u>\$ 258,194</u>
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation expense	108,863	90,201
Unrealized (gain) loss on investments	56,711	(233,819)
Bad debt expense	46,017	41,321
(Increase) decrease in operating assets:		
Cash, fiscal agent	850	1,300
Grants receivable	22,587	33,755
Accounts receivable	(29,206)	(54,022)
Pledges receivable	(28,379)	(54,168)
Other receivable	(48,074)	18,822
Prepaid expenses	17,957	(19,603)
Increase (decrease) in operating liabilities:		
Accounts payable	17,103	13,217
Accrued expenses	6,714	(28,290)
Amount due, fiscal agent	(850)	(1,300)
Deferred revenue	<u>63,574</u>	<u>26,839</u>
Total adjustments	<u>233,867</u>	<u>(165,747)</u>
Net cash flows from operating activities	<u>203,194</u>	<u>92,447</u>
Cash flows from investing activities:		
Purchase of property and equipment	(72,899)	(172,896)
Net (purchase) proceeds from sale of investments	(6)	40,618
Net cash flows from investing activities	<u>(72,905)</u>	<u>(132,278)</u>
Net change in cash and cash equivalents	130,289	(39,831)
Cash and cash equivalents at beginning of year	<u>271,207</u>	<u>311,038</u>
Cash and cash equivalents at end of year	<u>\$ 401,496</u>	<u>\$ 271,207</u>

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

Families First of the Greater Seacoast

Statements of Functional Expenses

Year ended June 30, 2012

	Health Services			
	Primary Care	Substance Abuse	Dental	Homeless
\$	1,151,153	15,997	442,369	\$ 403,576
Salaries	154,474	1,241	53,062	57,001
Payroll taxes/benefits	192,759	1,390	22,420	66,153
Professional fees/contract labor	22,614		72,576	17,014
Medical/laboratory costs	292,487		27,903	26,198
Physicians/dentists	16,215		9,342	42,946
Office	34,499		6,385	296
Miscellaneous	37,070		8,912	35
Bad debt expense	3,441		949	16,110
Travel	9,177		2,398	3,341
Conferences	4,350		990	635
Dues/publications	14,243		24,246	16,582
Depreciation	60,456		8,956	3,359
Rent	5,874		901	7,204
Telephone	158		7	4
Postage	22,173		6,252	2,988
Insurance	2,519		380	178
Printing	54,442		10,873	4,975
Computer operations				
Flexible funds	32,676		6,310	3,964
Program expenses				
\$	2,110,780	18,628	705,231	\$ 672,559

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

Families First of the Greater Seacoast

Statements of Functional Expenses - Continued

Year ended June 30, 2012

	Family Services			Total Program	Management & General	Fundraising	Total
	Family Support	Family Resource & Support (DCYF)					
Salaries	\$ 203,891	\$ 75,264		\$ 2,292,250	\$ 301,477	\$ 118,836	\$ 2,712,563
Payroll taxes/benefits	30,589	7,231		303,598	46,117	20,836	370,551
Professional fees/contract labor	54,367			337,089	29,750	2,665	369,504
Medical/laboratory costs				112,204			112,204
Physicians/dentists				346,588			346,588
Office	9,177			77,680	21,034	2,592	101,306
Miscellaneous	626			41,806	22,952	3,091	67,849
Bad debt expense				46,017			46,017
Travel	8,616	4,825		33,941	2,629	233	36,803
Conferences	1,990			16,906	693		17,599
Dues/publications	24			5,999	8,201	10	14,210
Depreciation	436			55,507	53,356		108,863
Rent	37,085	2,100		111,956			111,956
Telephone	4,207			18,186	1,873		20,059
Postage	13			182	18,585	814	19,581
Insurance	4,164			35,577	6,189		41,766
Printing	721			3,798	415	7,103	11,316
Computer operations	11,393			81,683	2,990	498	85,171
Flexible funds	22,936			22,936			22,936
Program expenses	3,900			46,850	1,830	433	49,113
	\$ 394,135	\$ 89,420		\$ 3,990,753	\$ 518,091	\$ 157,111	\$ 4,665,955

See independent auditors' report. The accompanying notes are an integral part of these financial statements.

Families First of the Greater Seacoast

Statements of Functional Expenses - Continued

Year ended June 30, 2011

	Health Services			
	Primary Care	Substance Abuse	Dental	Homeless
Salaries	\$ 1,142,445	\$ 22,199	\$ 484,898	\$ 370,894
Payroll taxes/benefits	171,746	2,104	70,956	46,582
Professional fees/contract labor	141,095	225	18,700	43,747
Medical/laboratory costs	21,375		79,180	7,642
Physicians/dentists	278,992		44,825	16,936
Office	10,447		8,679	34,312
Miscellaneous	6,021		1,136	270
Bad debt expense	27,436		13,885	
Travel	1,800		857	10,386
Conferences	7,978		2,006	139
Dues/publications	3,346		890	765
Depreciation	15,188		22,100	15,774
Rent	57,372	792	8,616	3,231
Telephone	6,374		946	7,546
Postage	67			9
Insurance	22,058		5,938	4,123
Printing	4,246		689	319
Computer operations	44,952		10,030	4,554
Flexible funds				
Program expenses	28,702		6,181	3,832
	<u>\$ 1,991,640</u>	<u>\$ 25,320</u>	<u>\$ 780,512</u>	<u>\$ 571,061</u>

See independent auditors' report. The accompanying notes are an integral part of these financial statements.

Families First of the Greater Seacoast

Statements of Functional Expenses - Continued

Year ended June 30, 2011

	Family Services		Total Program	Management & General	Fundraising	Total
	Family Support	Family Resource & Support (DCYF)				
Salaries	\$ 276,656	\$ 79,011	\$ 2,376,103	\$ 306,860	\$ 119,169	\$ 2,802,132
Payroll taxes/benefits	38,984	8,534	338,906	47,512	23,358	409,776
Professional fees/contract labor	46,289		250,056	34,327	16	284,399
Medical/laboratory costs			108,197			108,197
Physicians/dentists			340,753			340,753
Office	9,096		62,534	25,214	3,717	91,465
Miscellaneous	760		8,187	24,868	4,301	37,356
Bad debt expense			41,321			41,321
Travel	15,871		28,914	3,720	321	32,955
Conferences	175		10,298	1,577		11,875
Dues/publications	215		5,216	7,670	373	13,259
Depreciation	229		53,291	36,910		90,201
Rent	27,700	10,000	107,711			107,711
Telephone	4,479		19,345			19,345
Postage	20		96	22,125	788	23,009
Insurance	4,282		36,401	6,985		43,386
Printing	1,279		6,533	1,301	12,289	20,123
Computer operations	10,597		70,133	2,748	452	73,333
Flexible funds	21,995		21,995			21,995
Program expenses	5,382		44,097	2,528	1,207	47,832
	\$ 464,009	\$ 97,545	\$ 3,930,087	\$ 524,345	\$ 165,991	\$ 4,620,423

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

Families First of the Greater Seacoast

Notes to Financial Statements

June 30, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Families First of the Greater Seacoast (the Organization) was organized in 1986 to provide health care services for pregnant low income women and teenagers. Since that time, it has expanded to include comprehensive medical and family support services for all family members, including primary care, dental, well child care, substance abuse counseling, parenting education, and home visitation programs. A Board of Directors, consisting of members of the surrounding communities, directs long-term operations of the Organization, with an executive director handling day-to-day activities. The Organization is a Federally Qualified Health Center.

Basis of Presentation

The financial statements of the Organization have been prepared using the accrual method of accounting in accordance with professional standards. Under these standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted assets, and permanently restricted net assets. Unrestricted net assets are those that are not subject to donor-imposed stipulations. Temporarily restricted net assets are those whose use by the Organization has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled or otherwise removed by actions of the Organization. Permanently restricted net assets are those that are subject to donor-imposed stipulations that they be maintained permanently by the Organization.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Net Patient Service Revenue

Revenue is recorded at the Organization's standard charges for patient services rendered. Under the terms of agreements with Medicare, Medicaid and other third party payors, reimbursement for the care of program beneficiaries may differ from the standard charges. Differences are recorded as contractual adjustments, which are reflected as an adjustment to patient service revenue together with patient discounts. Credit is extended without collateral.

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Since the Organization does not pursue collection of amounts determined to qualify as charity care, these amounts are reported as deductions from revenue (see note 11).

Families First of the Greater Seacoast

Notes to Financial Statements

June 30, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Grants and Contracts

The Organization receives funding from the federal Public Health Service Agency for its homeless program under a Bureau of Primary Health Care (BPHC) grant program.

Support received under other grants and contracts with governmental agencies and private foundations is reported as revenue when terms of the agreement have been met.

Deferred Revenue

Deferred revenue represents grant and contract funds received for which grant and contract revenue has not been earned.

Contributions

Contributions, including pledges, are recognized as revenues in the period received or pledged. The Organization reports contributions of cash and other assets received with donor-imposed time or purpose restrictions as temporarily restricted support. When a donor restriction expires, i.e., when a stipulated time restriction or purpose restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

An allowance for uncollectible pledges is provided based on historical experience and management's evaluation of outstanding pledges at the end of each year. As of June 30, 2012 and 2011, the allowance for uncollectible unconditional promises to give was \$2,000 and \$2,500, respectively.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as unrestricted revenues.

Investment Income

Income and net unrealized and realized gains or losses on investments of endowment and similar funds are reported as follows:

- as increases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income; or
- as increases in permanently restricted net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund; if not, they are reported as temporarily restricted net assets; or
- as increases in unrestricted net assets in all other cases.

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Organization considers all unrestricted highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

Families First of the Greater Seacoast

Notes to Financial Statements

June 30, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2012 and 2011, the allowance for doubtful accounts was \$64,495 and \$98,236, respectively.

Property and Equipment

Property and equipment are stated at cost. Depreciation is being provided by use of the straight-line method over the estimated useful lives ranging from three to thirty years.

Investments

Investments are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

The Organization's investment policy and spending policy for permanently restricted and board designated investments is as follows:

Endowment Policy

- The primary investment objective for endowment funds is to preserve and protect assets by earning a total return appropriate for each account. In doing so, the Organization will consider each account's time horizon, liquidity needs, risk tolerance, and restrictions.

Investment Objectives

- The Finance Committee of the Board of Directors has authorized the investment advisor to invest in portfolios of equity securities, fixed income securities, and short-term (cash) investments.
- Within the fixed income portfolio, the majority of assets should be investment grade or better, with below investment grade exposure not to exceed 10%.
- Endowment funds designated for restriction by the Board of Directors will maintain a mix of 20%-40% equity securities, 60%-80% fixed income securities, and 5%-20% short term investments. Donor restricted funds will maintain a mix of 60%-80% equity securities, 20%-40% fixed income securities, and 5%-20% short-term investments.
- The investment advisor will maintain reasonable diversification at all times. Equity positions of any one company may not exceed 5% of the portfolio, nor shall the portfolio have more than 25% of the entire portfolio in any one sector.
- The Finance Committee will meet with the investment advisor no less than annually to review performance, investment objectives, and asset allocation.

Spending Policy

- The Board of Directors has established an endowment spending policy of appropriating for distribution each year 5% of the endowment fund's average fair market value over the prior 20 quarters.

Families First of the Greater Seacoast

Notes to Financial Statements

June 30, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been made. The Organization is not classified as a private foundation.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that required adjustment to the financial statements. When necessary, the Organization accounts for interest and penalties related to uncertain tax positions as part of its provision for federal and state income taxes. The Organization does not expect that unrecognized tax benefits arising from tax positions will change significantly within the next twelve months. The Organization is subject to U.S. federal and state examinations by tax authorities for years ending June 30, 2009 through June 30, 2012.

Functional Expenses

The expenses of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, expenses have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program and support service are allocated directly. Other expenses that are common to several functions are allocated according to statistical bases.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods, including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Families First of the Greater Seacoast

Notes to Financial Statements

June 30, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements - Continued

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the years ended June 30, 2012 and 2011, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Investment Securities

The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument. (see Note 18)

Recent Accounting Pronouncements

In July 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-07, which requires reclassifying the provisions for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue. It also requires enhanced disclosure about the policies for recognizing revenue and assessing bad debts, disclosures of patient service revenue, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. The provisions of ASU 2011-07 are effective for the Organization beginning July 1, 2012. The Organization does not expect that the impact of this accounting pronouncement will be significant to the financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS

The Organization maintains cash balances at two local financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization has established a policy where excess cash is transferred between accounts at separate financial institutions to maintain balances within FDIC insured limits.

NOTE 3 - GRANTS RECEIVABLE

Grants receivable as presented on the statements of financial position represent payment due on grants from state and federal agencies and other organizations and are considered fully collectible by management as of June 30, 2012 and 2011.

Families First of the Greater Seacoast

Notes to Financial Statements

June 30, 2012 and 2011

NOTE 4 - ACCOUNTS RECEIVABLE

The composition of accounts receivable at June 30 was as follows:

	2012	2011
Medicaid	\$ 58,179	\$ 56,415
Medicare	21,326	35,429
Private insurance	39,601	48,074
Patients	67,165	99,283
Other	<u>12,326</u>	<u>9,948</u>
	198,597	249,149
Less allowance for doubtful accounts	<u>(64,495)</u>	<u>(98,236)</u>
	<u>\$134,102</u>	<u>\$150,913</u>

NOTE 5 - PLEDGES RECEIVABLE

Pledges receivable, net of allowance for uncollectible pledges, are summarized as follows at June 30:

	2012	2011
Miscellaneous private donors	\$307,313	\$278,934
Endowment promises	<u>2,000</u>	<u>2,500</u>
	309,313	281,434
Less allowance for uncollectible promises to give	<u>(2,000)</u>	<u>(2,500)</u>
	<u>\$307,313</u>	<u>\$278,934</u>
Amounts due in:		
Less than one year	\$189,012	\$211,524
One to five years	<u>108,301</u>	<u>69,910</u>
	<u>\$307,313</u>	<u>\$281,434</u>

The discount rate was not material and, therefore, not applied in 2012 or 2011.

NOTE 6 - COST SETTLEMENT

The Organization renders services to individuals who are beneficiaries of the Federal Medicare and Medicaid programs. Charges for services to beneficiaries of these programs were billed to the Medicare and Medicaid intermediary. Settlements for differences between the interim rates paid by Medicare and Medicaid and the Organization's actual cost for rendering care are based on annual cost report filings. The estimated amounts due to or from these programs are reflected in the accompanying financial statements as other receivables and are recorded as an increase or decrease to patient service revenue in the year the related care is rendered. Any adjustments to the estimates are recorded as adjustments to patient service revenue in the year of final determination.

Families First of the Greater Seacoast

Notes to Financial Statements

June 30, 2012 and 2011

NOTE 7 - PROPERTY AND EQUIPMENT

The following summarizes property and equipment at June 30:

	2012	2011
Equipment	\$605,275	\$552,696
Furniture and fixtures	44,178	32,931
Leasehold improvements	<u>179,031</u>	<u>169,960</u>
	828,484	755,587
Less accumulated depreciation	<u>(491,758)</u>	<u>(382,897)</u>
	<u>\$336,726</u>	<u>\$372,690</u>

NOTE 8 - INVESTMENTS - ENDOWMENT

The Organization's Board of Directors has interpreted state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent donor stipulations to the contrary. Accordingly, the Organization classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization.

Investments are reported at their fair value in the statements of financial position and consisted of the following at June 30:

	2012	2011
Mutual funds	<u>\$1,267,448</u>	<u>\$1,326,371</u>

Unrealized gains and losses are included in the change in net assets. Investment income consisted of the following for the years ended June 30:

	2012	2011
Interest and dividends	\$13,078	\$13,494
Realized gains	<u>23,182</u>	<u>3,881</u>
	<u>\$36,260</u>	<u>\$17,375</u>

Endowment net assets by type of fund as of June 30, 2012 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Donor restricted endowment funds		\$67,427	\$1,200,021	\$1,267,448
Pledges receivable		-	166	166
Totals		<u>\$67,427</u>	<u>\$1,200,187</u>	<u>\$1,267,614</u>

Families First of the Greater Seacoast

Notes to Financial Statements

June 30, 2012 and 2011

NOTE 8 - INVESTMENTS - ENDOWMENT - CONTINUED

Endowment net assets by type of fund as of June 30, 2011 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Donor restricted endowment funds		\$127,360	\$1,199,011	\$1,326,371
Pledges receivable		-	1,176	1,176
Totals		<u>\$127,360</u>	<u>\$1,200,187</u>	<u>\$1,327,547</u>

Changes in endowment net assets as of June 30, 2012 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Beginning of year		\$ 127,360	\$1,200,187	\$1,327,547
Investment return:				36,260
Investment income		36,260		(56,885)
Net depreciation		(56,885)		(39,308)
Release of funds		(39,308)	-	
Totals		<u>\$ 67,427</u>	<u>\$1,200,187</u>	<u>\$1,267,614</u>

Changes in endowment net assets as of June 30, 2011 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Beginning of year	\$(69,991)	\$ 11,149	\$1,200,187	\$1,141,345
Investment return:				17,375
Investment income		17,375		230,327
Net appreciation	69,991	160,338		(61,500)
Release of funds	-	(61,500)	-	
Totals	<u>\$ 69,991</u>	<u>\$127,360</u>	<u>\$1,200,187</u>	<u>\$1,327,547</u>

NOTE 9 - AMOUNT DUE - FISCAL AGENT

The Organization acts as fiscal agent for fundraisers supporting the Billy Cheverie Memorial Scholarship Fund. During the years ended June 30, 2012 and 2011, the Organization had received \$3,650 and \$3,700, respectively, from event proceeds and had paid \$4,500 and \$5,000, respectively, in scholarships, donations, and other administrative expenses. The remaining \$3,195 and \$4,045 as of June 30, 2012 and 2011, respectively, is included in the statements of financial position as a current asset (cash, fiscal agent) and current liability (amount due, fiscal agent).

Families First of the Greater Seacoast

Notes to Financial Statements

June 30, 2012 and 2011

NOTE 10 - LINE OF CREDIT

The Organization has a \$250,000 commercial line of credit with TD Banknorth. The interest rate is variable at the Wall Street Journal prime rate (3.25% at June 30, 2012 and 2011, respectively) until May 4, 2013. The line is secured by all business assets of the Organization excluding the permanently restricted funds. Available credit on the line at June 30, 2012 and 2011 was \$250,000, respectively.

NOTE 11 - NET PATIENT SERVICE REVENUE

The amounts which the Organization charged for patient services at established rates, along with the difference between the amounts charged and the amounts realized under third-party reimbursement formulas (contractual adjustments) and the amounts classified as charity care, are shown below for the years ended June 30:

	2012	2011
Gross patient service charges	\$3,031,729	\$2,785,940
Contractual adjustments	(58,960)	5,358
Charity care	<u>(1,318,219)</u>	<u>(1,158,411)</u>
Net patient service revenue	<u>\$1,656,550</u>	<u>\$1,632,887</u>

The Organization accepts patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies, which define charity services as those services for which no payment is anticipated. In assessing a patient's eligibility for charity care, the Organization uses federally established poverty guidelines. The Organization is required to provide a full discount to patients with annual incomes at or below 100% of the poverty guidelines. For those patients with income between 100% and 200% of poverty guidelines, fees must be charged in accordance with a sliding scale discount policy based on family size and income. No discounts may be provided to patients with incomes over 200% of federal poverty guidelines.

Charity care is measured based on services provided at established rates but is not included in net patient service revenue. Costs and expenses incurred in providing these services are included in operating expenses. The Organization determines the costs associated with providing charity care by calculating a ratio of costs to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. Under this methodology, the estimated costs of caring for charity care patients for the years ended June 30, 2012 and June 30, 2011 were approximately \$1,690,000 and \$1,638,000, respectively. Charges for services rendered to individuals from whom payment is expected and ultimately not received are written off and included as an operating expense as part of the provision for bad debts.

Families First of the Greater Seacoast

Notes to Financial Statements

June 30, 2012 and 2011

NOTE 12 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30.

	2012	2011
Unrestricted pledges receivable	\$307,313	\$278,934
Endowment gains	67,427	127,360
Dental and homeless programs	23,131	10,785
Parenting program	1,962	
Behavioral health services	1,750	2,750
Other	<u>16,352</u>	<u>12,154</u>
	<u>\$417,935</u>	<u>\$431,983</u>

NOTE 13 - PERMANENTLY RESTRICTED NET ASSETS

During the year ended June 30, 1999, the Organization established a permanently restricted endowment fund as a result of a donor changing their intent on a previous contribution.

During the year ended June 30, 2004, the Organization received a challenge contribution from a donor. The donor stipulated that the funds were to be added to the Organization's permanently restricted endowment fund and that the annual interest earned was available for current operations. In conjunction with receipt of this contribution, the Organization conducted a capital campaign. Donors were advised that contributions received would be added to the endowment fund and that 100% of the annual income would be available for current operations.

As of June 30, 2012, permanently restricted net assets consisted of investments with a carrying value of \$1,200,021 and unconditional promises to give of \$166. As of June 30, 2011, permanently restricted net assets consisted of investments with a carrying value of \$1,199,011 and unconditional promises to give of \$1,176.

NOTE 14 - DONATED SERVICES

The Organization received various donated supplies and services during the years ended June 30, 2012 and 2011. Donated supplies and services are recorded at their estimated fair values on the date of receipt. In-kind contributions are included in contributions in the statements of activities and in-kind expenses are included in the corresponding functional expense line in the statements of functional expenses. Donated supplies and services consisted of the following for the years ended June 30:

	2012	2011
Professional physician and dental services	\$79,145	\$28,775
Medical supplies and vaccines	112,222	87,156
Volunteer services	109,027	41,213
Mobile van services		8,000
Other	-	22,375
	<u>\$300,394</u>	<u>\$187,519</u>

Families First of the Greater Seacoast

Notes to Financial Statements

June 30, 2012 and 2011

NOTE 15 - LEASES

The Organization rents space for all its programs under terms of a three year lease. Monthly rent was \$9,031 for the first four months of the current year; the monthly rent increased to \$9,479 for the remainder of the current year, and rent paid was \$111,956 and \$107,711 for the years ended June 30, 2012 and 2011, respectively. The current lease term expires on October 31, 2012. Subsequent to the year ended June 30, 2012, the Organization renewed the lease for an additional three year period, expiring October 31, 2015 with monthly payments ranging from \$9,896 to \$10,009. Lease expense includes a charge per square foot for utilities and housekeeping services.

The Organization leases office equipment under terms of noncancellable operating leases expiring at various times. Lease expense, included in office expense, was \$12,216 during the years ended June 30, 2012 and 2011.

Minimum lease payments under terms of the current leases are as follows as of June 30:

2013	\$124,658
2014	124,223
2015	<u>41,638</u>
	<u>\$290,519</u>

NOTE 16 - PENSION PLAN

The Organization sponsors a defined contribution 401(k) plan for all eligible employees. Employer discretionary matching contributions are 100% of contributions up to 3% of eligible employees' salaries. The Organization did not incur expenses under the plan for the years ended June 30, 2012 and 2011.

NOTE 17 - FUNCTIONAL EXPENSES

The Organization's principle programs are as follows:

Primary Care Program

The purpose of this program is to provide comprehensive medical care to families of the community on a sliding fee scale basis. Services provided include well and sick child care, immunizations, adult care, laboratory testing, social services and counseling, substance abuse counseling and smoking cessation programs.

This program provides access to comprehensive prenatal care. Pregnant women who live at 185% of poverty level or below, and all teens, who reside in Portsmouth, Newington, Greenland, New Castle, Rye, Hampton, and North Hampton are eligible to participate in this program. Some of the services provided are medical care, laboratory testing, infant delivery, social services and counseling, nutritional counseling, childbirth, breastfeeding and parenting education, substance abuse counseling and smoking cessation programs.

This program also includes a medication assistance program, which provides uninsured and under-insured patients with vouchers to obtain low cost short-term prescriptions and helps the patients enroll for assistance from pharmaceutical companies to obtain long-term medication for chronic conditions.

Dental Program

This program provides access to comprehensive dental health services to families of the community on a sliding scale basis. Services include oral health screening, preventative and restorative care

Families First of the Greater Seacoast

Notes to Financial Statements

June 30, 2012 and 2011

NOTE 17 - FUNCTIONAL EXPENSES - CONTINUED

Homeless Program

The program provides a healthcare access point that includes medical and dental care for individuals and families experiencing or on the verge of homelessness in a two county area of New Hampshire. A mobile healthcare team provides outreach and health services to individuals and families unable to receive these services in a more traditional health care setting.

Family Support Programs

These programs were designed to strengthen and support families. Families, who reside in Rockingham County, or Eliot, York and Kittery, Maine, regardless of income, are eligible to participate in these programs. Services provided include volunteer parent aide program, drop-in family support center, parenting classes, mothers' support groups, fathers' support programs, parent/toddler playgroups, children's activity groups, and a monthly newsletter to provide information about available resources for families.

Family Resource and Support (DCYF)

The Family Resource and Support Program provides home based family support services and child care coordination and payment.

NOTE 18 - RISKS AND UNCERTAINTIES

The Organization invests in various investment securities and money market funds. Due to the level of risk associated with investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported in the statements of financial position.

NOTE 19 - FAIR VALUE MEASUREMENT

Fair values of assets measured on a recurring basis at June 30, 2012 are as follows:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Problend Conservative Term Series Fund	\$ 206,050	\$158,255	\$ 47,795	
Problend Maximum Term Series Fund	412,653	307,127	105,526	
Problend Extended Term Series Fund	<u>711,154</u>	<u>378,287</u>	<u>332,867</u>	
Totals	<u>\$1,329,857</u>	<u>\$843,669</u>	<u>\$486,188</u>	

Families First of the Greater Seacoast

Notes to Financial Statements

June 30, 2012 and 2011

NOTE 19 - FAIR VALUE MEASUREMENT - CONTINUED

Fair values of assets measured on a recurring basis at June 30, 2011 are as follows:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Problend Conservative Term Series Fund	\$ 211,214	\$ 52,691	\$158,523	
Problend Maximum Term Series Fund	447,702	342,868	104,834	
Problend Extended Term Series Fund	<u>727,646</u>	<u>408,371</u>	<u>319,275</u>	
Totals	<u>\$1,386,562</u>	<u>\$803,930</u>	<u>\$582,632</u>	

NOTE 20 - EVALUATION OF SUBSEQUENT EVENTS

Management has made an evaluation of subsequent events to and including the date of the auditors' report, which was the date the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

Families First

support for families...health care for all

Mission Statement

Families First Health and Support Center contributes to the health and well-being of the Seacoast community by providing a broad range of health and family services to all, regardless of ability to pay.

Guiding Principles

- Adapt services to address evolving community needs.
- Meet or exceed standards of excellence in all services.
- Ensure continuing outreach so all feel welcome to use our services.
- Treat clients with respect and with concern for their dignity.
- Integrate services for the best possible client experiences and outcomes.
- Utilize resources as efficiently as possible in order to make the best use of public and private dollars to serve clients.
- Invest in organizational capacities to sustain the mission for the future.
- Collaborate with other organizations to achieve the most effective and efficient use of community resources.

Vision

Despite facing a sustained period of unparalleled change in the health care and family support sectors, Families First's services will endure as a strong community asset. The Management Team and Board of Directors will act entrepreneurially to meet evolving community needs, studying best-practice models as well as shifts in government policy, revenue potential and regional demographics. Declining birth rates and a burgeoning senior population will lead to new outreach and adaptations in Families First's core services: medical, dental, family support and care coordination. Families First will continue to be a sought-after strategic partner due to our leadership in integrated health care, constant pursuit of improved health and family support outcomes, and track record of operational excellence. In support of its essential mission and broad civic reach, Families First will continue to benefit from the community's generosity.

**Families First of the Greater Seacoast
Board of Directors
FY13**

Patricia Locuratolo, MD, Chair
875 Greenland Road, Suite B4-5
Portsmouth, NH 03801
Work: 603-427-2577
Fax: 603-427-0048
shpos@aol.com
Member since 2008

Mary Schleyer, Vice Chair
PO Box 222
Rye Beach, NH 03871
Home: 603-964-9746
maryzs@aol.com
Member since 10/2009

Jack Jamison, Secretary
7 Freedom Circle, Apt 21
Portsmouth, NH 03801
Home: 603-431-6313
jjiinc@comcast.net
Member since 2006

Linda Sanborn, Treasurer
Albert P. Stowe, PLLC
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Work: 603-433-8838
linda@tobystowe.com
Member since 2006

Karin Barndollar
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ksb@sectrade-international.com
Member since 10/2009

BB Bayerle
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Home: 207-451-9737
bbanne7@hotmail.com
Member since 2007

Marsha Filion
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Home: 603-205-0362
m3filion@yahoo.com
Member since: 07/2012

Kristen Hanley
CMH Wealth Management, LLC
155 Lafayette Rd., 3rd Fl, Ste 7
North Hampton, NH 03862
Work: 603-379-8161
Cell: 603-682-9235
kristenh@cmhwealth.com
Member since 2007

Barbara Henry
183 Woodland Road
Hampton, NH 03842
Home: 603-601-2930
bahgolden@comcast.net
Member since 8/2012

Sarah Knowlton
Liberty Utilities
11 Northeastern Boulevard
Salcm, NH 03079
Work: 603-328-2794
Cell: 603-327-9155
sarah.knowlton@libertyutilities.com
Member since 2010

Josephine Lamprey
16 Atlantic Avenue
North Hampton, NH 03862
Home: 603-964-6265
jlamprev@greyrocks.com
Member since 10/2011

Kathleen MacLeod
7 Stonewall Lane
Rye, NH 03870
Home: 603-964-9364
Cell: 603-770-2928
remkfm@comcast.net
Member since 2001-2003 and 2005

David McNicholas
518 Shattuck Way
Newington, NH 03801
Home: 508-292-0527
ghostofamerica@yahoo.com
Member since 4/2013

Edna Mosher
97 Nimble Road
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Home: 603-431-2242
Thehaunt97@comcast.net
Member since 04/2013

Tom Newbold
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Home: 207-451-9737
newbold.tom@gmail.com
Member since 09/2007

Linda Panori
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Portsmouth, NH 03801
Home: 603-422-0960
Member since 2003-2008 and 2010

John Pelletier
PO Box 1893
Derry, NH 03038
Home: 603-505-9710
jpelletier03038@yahoo.com
Member since 10/2009

Donna Ryan
PO Box 72
Cape Neddick, ME 03902
Cell: 207-475-5500
donna@sealspoint.com
Member since 2005

Daniel Schwarz
Jackson Lewis
100 International Drive, Suite 363
Portsmouth, NH 03801
Home: 603-433-6005
Work: 603-559-2730
daniel.schwarz@jacksonlewis.com
Member since 2002-2010 and 8/2011

Richard Senger, Director Emeritus
19 William Circle
Stratham, NH 03885
Home: 603-772-5305
senger@comcast.net
Member since 1986

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 FAMILIES FIRST OF THE GREATER SEACOAST is a New Hampshire nonprofit corporation formed August 28, 1986. 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 1st day of April A.D. 2013

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

William M. Gardner
Secretary of State



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

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

Nicholas A. Toumpas
 Commissioner

Maggie Bishop
 Director

May 5, 2011

His Excellency, Governor John H. Lynch
 and the Honorable Executive Council
 State House
 Concord, New Hampshire 03301

G&C Approved

Date 6/8/11
 Item # 109

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to enter into an agreement with Families First of the Greater Seacoast, Portsmouth, NH (Vendor #166629 B001), for the provision of comprehensive family support services in the Portsmouth region, effective July 1, 2011 or date of Governor and Executive Council approval, whichever comes later, through June 30, 2013, in an amount not to exceed \$183,840.00. Funds for this purpose are anticipated to be available in State Fiscal Years 2012 and 2013 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts, if needed and justified, between State Fiscal Years:

05-95-40-404010-5850 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, TITLE XX GRANTS - SSBG

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130302	\$72,920.00	\$72,920.00	\$145,840.00

05-95-40-404010-5847 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, PROMOTING SAFE-STABLE FAMILIES

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130007	\$19,000.00	\$19,000.00	\$38,000.00
Total:			\$91,920.00	\$91,920.00	\$183,840.00

EXPLANATION

The above action is requested for the provision of comprehensive family support services to families within the Portsmouth region. Throughout the state, local agencies provide a range of support services to families and children that focus on strengthening, supporting and building on the strengths and skills of individuals. These services adhere to a nationally recognized set of values and principles centered on the empowerment of individuals, families and communities. Since State Fiscal Year 2002, the Division for Children, Youth and Families has formalized partnerships, through the contracting process, with one local agency per

catchment area, to provide services to families experiencing stressors that could cause them to become involved with the Division should they not obtain sufficient support to address their family's needs.

Comprehensive family support services seek to prevent family problems by strengthening parent-child relationships and by providing parents what they need to be good nurturers and providers. The program delivers a wide array of services through a single point of entry and ensures that families can access the services in their home communities, and from agencies and partners that know the individuals and characteristics of the communities that they serve. Services include: visiting family homes to establish a trusting, non-threatening relationship with which the family's needs can be identified; educating parents about their child(ren)'s medical and health needs; linking parents with early childhood care programs and teaching them about child development; supporting and educating parents through peer parent support groups; linking parents with literacy programs to either help parents learn to read or to teach them the importance of reading to their child(ren); family mentoring and advocacy to improve parenting skills, self-sufficiency, family functioning, and reduce the likelihood of abuse and neglect; life skills training to address the family's needs in the context of budgeting, nutrition counseling, financial management, job security, etc. (particularly helpful to young parents); and short-term child placement/respite care to help families ensure their child(ren) are cared for when the parent is temporarily unable to do so.

Through the provision of comprehensive family support services families receive needed services in the most non-intrusive, non-stigmatizing and most efficient manner possible. Over the last six years, the Division for Children, Youth and Families has identified several proven outcomes for participating families, such as not becoming involved in other systems of care, becoming actively engaged with their community, and learning how to pursue and achieve healthy goals. The success of these prevention oriented services helps the Division for Children, Youth and Families achieve its mission, in that children live in nurturing families, and play and go to schools in communities that are safe and cherish children.

Competitive Bidding Process

On February 28, 2011, the Division issued a Request for Proposal for this program. The Request for Proposals was published on the Department of Health and Human Services website and the Division also announced the release of the Request for Proposals via a letter sent to 30 area agencies. As part of the bidding process a bidders conference was held on March 14, 2011 and representatives from fourteen agencies attended. Families First of the Greater Seacoast was the only agency to submit a proposal for the Portsmouth region.

The Request for Proposals included evaluation criteria and a description of factors that the Division for Children, Youth and Families would utilize in assessing the effectiveness of proposals received. The Division formed an Evaluation Committee comprised of Division staff from the Bureau of Family and Community-Based Services, as well as staff from the Child Well-Being Bureau and the Division's Financial Analyst and Contract Specialist. Committee members individually reviewed Families First's proposal; out of 100 possible points the agency's proposal scored an average of 75.4 points. As a result, the Committee recommended awarding an agreement to Families First of the Greater Seacoast to serve the Portsmouth region.

Families First of the Greater Seacoast has provided comprehensive family support services in this region for the last six years and have received favorable satisfaction ratings. During State Fiscal Year 2010 the agency provided services to 351 children and adults in the Portsmouth region, including, but not limited to, Life Skills Training, Literacy Education & Support, Family Mentoring & Advocacy, and Parent Education & Support.

His Excellency, Governor John F. Lynch
and the Honorable Executive Council
May 5, 2011
Page 3

Agreement Terms

The agreement calls for the provision of these services for two years and reserved the Division's right to renew them for up to four additional years based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Council approval. Families First of the Greater Seacoast has provided its services well and is favorably rated by the families it serves in the Portsmouth region. Supporting Federal Funds continue to be available for these services and Families First further supports the program by contributing at least 25% of the cost of service provision through contractor match dollars, in effective eliminated the need for matching General Funds.

In the event that this contract is not approved by the Governor and Executive Council, children and families will go without preventative services resulting in the very real likelihood of increased maltreatment of children in this state.

Geographic area served: Portsmouth catchment area.

Source of funds: 100% Federal Funds from the US Department of Health and Human Services.

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

Respectfully submitted,



Maggie Bishop
Director

Approved by:



Nicholas A. Toumpas
Commissioner



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/28/2013

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

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

PRODUCER Tobey & Merrill Insurance 20 High Street Hampton NH 03842-2214	CONTACT NAME: Tamie Rhodes CIC CISR
	PHONE (A/C, No, Ext): (603) 926-7655 FAX (A/C, No): (603) 926-2135
	E-MAIL ADDRESS: tamie@tobeymerrill.com
	INSURER(S) AFFORDING COVERAGE
	INSURER A: Peerless Indemnity NAIC # 18333
	INSURER B: Peerless Insurance NAIC # 24198
	INSURER C:
	INSURER D:
	INSURER E:
	INSURER F:

COVERAGES CERTIFICATE NUMBER: **CL131901560** 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			BOP8358757	12/29/2012	12/29/2013	EACH OCCURRENCE \$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000
	<input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 2,000,000
							GENERAL AGGREGATE \$ 4,000,000
							PRODUCTS - COMP/OP AGG \$ 4,000,000
							\$
B	AUTOMOBILE LIABILITY			BA5375202	12/29/2012	12/29/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident) \$
							Underinsured motorist \$ 1,000,000
B	<input checked="" type="checkbox"/> UMBRELLA LIAB			CU8353458	12/29/2012	12/29/2013	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> EXCESS LIAB						AGGREGATE \$ 1,000,000
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE						\$
	DED <input type="checkbox"/> RETENTION \$						\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WC5055429	12/29/2012	12/29/2013	<input type="checkbox"/> WC STATUTORY LIMITS <input checked="" type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	N/A				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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

CERTIFICATE HOLDER NH Dept. of Health and Human Services 129 Pleasant St Concord, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE B Lizotte CIC/BRL <i>Barbara R. Fitzh. CIC</i>



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the *Comprehensive Family Support Service Contract***

This **1st** Amendment to the ***Comprehensive Family Support Services*** contract (hereinafter referred to as "Amendment 1") dated this **22nd** day of April, **2013**, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and ***Good Beginnings of Sullivan County*** (hereinafter referred to as "the Contractor"), a ***non-profit corporation*** company with a place of business at ***169 Main Street, Claremont, NH 03743***.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on **June 8, 2011 (Item# 106)**, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 and ***Exhibit C-1, section 1***, the State may, ***renew the contract for up to four additional years*** by written agreement of the parties;

WHEREAS ***the State and the Contractor have agreed that a one-year extension of the contract is agreeable to the parties;***

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

To amend as follows:

- Form P-37, Item 1.7, Completion Date shall be amended to read "June 30, 2014"
- Form P-37, Item 1.8, Price Limitation, shall be amended to read "\$273,260.00"
- Exhibit A, Scope of Services, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, Section 1, shall be amended to read "\$273,260.00"



New Hampshire DHHS

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

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

5/21/13
Date

State of New Hampshire
Department of Health and Human Services

Nicholas A. Toumpas
Nicholas A. Toumpas
Commissioner

Good Beginnings of Sullivan County

4/24/13
Date

Ellie Tsetsi
Ellie Tsetsi
Executive Director

Acknowledgement:

State of New Hampshire, County of Sullivan on 24th of Apr, 2013, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

JoAnn Kleyensteuber
Name and Title of Notary or Justice of the Peace

JO-ANN KLEYENSTEUBER, Notary Public
My Commission Expires June 17, 2014

New Hampshire DHHS



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

OFFICE OF THE ATTORNEY GENERAL

3 May 2013
Date

Vanne P. Heinrich
Name: Vanne P. Heinrich
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

CERTIFICATE OF VOTE/AUTHORITY

I, Debra Mochi, of Good Beginnings of Sullivan County, do hereby certify that:

1. I am the duly elected President of Good Beginnings of Sullivan County
2. The following are true copies of two resolutions duly adopted at the Annual Meeting of the Board of Directors of the corporation, duly held on January 16, 2013:

RESOLVED: That this corporation may enter into any and all contracts, amendments, renewals, revisions or modifications thereto, with the State of New Hampshire, acting through its Department of Health and Human Services.

RESOLVED: That the Executive Director is hereby authorized on behalf of this corporation to enter into said contracts with the State, and to execute any and all documents, agreements, and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate. Ellie Tsetsi is the duly elected Executive Director of the corporation.

3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of April 24, 2013.

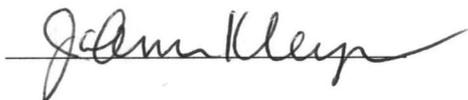
IN WITNESS WHEREOF, I have hereunto set my hand as the President of the corporation this 24nd day of April, 2013.



Debra Mochi, President

STATE OF NH
COUNTY OF SULLIVAN

The foregoing instrument was acknowledged before me this 24th day of April, 2013 by Debra Mochi.



Notary Public/Justice of the Peace

My Commission Expires: JO-ANN KLEYENSTEUBER, Notary Public
My Commission Expires June 17, 2014

New Hampshire Department of Health and Human Services
Bidder/Program Name: Good Beginnings of Sullivan County
Budget Request for: CFSS

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

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 61,464	\$ 8,008	\$ 69,472	\$ 29,807	\$ 99,279	Based on FY 13 actuals
2. Employee Benefits	\$ 7,948	\$	\$ 7,948	\$	\$ 7,948	
3. Consultants	\$	\$	\$	\$	\$	
4. Equipment:	\$	\$	\$	\$	\$	
Rental	\$	\$	\$	\$	\$	
Repair and Maintenance	\$	\$	\$	\$	\$	
Purchase/Depreciation	\$	\$	\$	\$	\$	
Educational	\$	\$	\$	\$	\$	
Office	\$	\$	\$	\$	\$	
6. Travel	\$	\$	\$	\$	\$	
7. Occupancy	\$ 12,000	\$	\$ 12,000	\$	\$ 12,000	
8. Current Expenses	\$	\$	\$	\$	\$	
Telephone	\$	\$	\$	\$	\$	
Postage	\$	\$	\$	\$	\$	
Subscriptions	\$	\$	\$	\$	\$	
Audit and Legal	\$	\$	\$	\$	\$	
Insurance	\$	\$	\$	\$	\$	
Board Expenses	\$	\$	\$	\$	\$	
9. Software	\$	\$	\$	\$	\$	
10. Marketing/Communications	\$	\$	\$	\$	\$	
11. Staff Education and Training	\$	\$	\$	\$	\$	
12. Subcontracts/Agreements	\$	\$	\$	\$	\$	
13. Other (specific details mandatory)	\$	\$	\$	\$	\$	
TOTAL	81,412	8,008	89,420	29,807	119,227	

Indirect As A Percent of Direct 0.09836388

Contractor Initials: 26

Date: 4/24/13

State of New Hampshire
Department of Health and Human Services
Division for Children, Youth and Families

EXHIBIT B-1, Comprehensive Family Support Services
PERSONNEL DATA - Good Beginnings of Sullivan County
State Fiscal Year 2014

	Name	Title	Annual Salary	% of Time to Work on the Project	Project Amount Charged for SFY 2014 (7/1/13 - 6/30/14)
1	Rene Couitt	Intake Coordinator	\$ 31,200.00	33%	\$ 10,296.00
2	Melony Williams	Lic. Clinical Mental Health Worker	\$ 41,600.00	25%	\$ 10,400.00
3	Holly Bee	Parent Educator	\$ 27,040.00	40%	\$ 10,816.00
4	Alicia Connors	Parent Educator	\$ 33,280.00	40%	\$ 13,312.00
5	Jo-Ann Kleyensteuber	Program Administrator	\$ 40,040.00	20%	\$ 8,008.00
6	Jane VanBremen	Clinical Supervisor	\$ 33,280.00	50%	\$ 16,640.00
7					
8					
9					
	Total:		\$ 206,440.00		\$ 69,472.00

***GOOD BEGINNINGS OF
SULLIVAN COUNTY, INC.***

**Audited Financial Statements
June 30, 2012**

AUDITED FINANCIAL STATEMENTS

GOOD BEGINNINGS OF SULLIVAN COUNTY, INC.

June 30, 2012

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LAWRENCE E. REED, CPA, PC
Professional Corporation
C E R T I F I E D P U B L I C A C C O U N T A N T

17 River Street, PO Box 760
Chester, VT 05143
(802) 875-2322
Fax (802) 875-2324
Email lercpa@vermontel.net

Member of American Institute of
Certified Public Accountants

Licensed in Vermont
and New Hampshire

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Good Beginnings of Sullivan County, Inc.

We have audited the accompanying statement of financial position of Good Beginnings of Sullivan County, Inc. (a nonprofit organization) as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Good Beginnings of Sullivan County, Inc. as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Lawrence E. Reed, CPA, PC

February 7, 2013
Vermont License No. 1039

STATEMENT OF FINANCIAL POSITION
GOOD BEGINNINGS OF SULLIVAN COUNTY, INC.
June 30, 2012
(With Comparative Totals for June 30, 2011)

	June 30, 2012			As of
	Unrestricted	Temporarily Restricted	Total	June 30, 2011 Totals (Memorandum)
ASSETS				
Cash and cash equivalents	\$ 56,088	\$ 18,000	\$ 74,088	\$ 111,843
Cash, restricted	180	-	180	4,122
Grants and accounts receivable	45,700	3,500	49,200	44,762
Prepaid expenses	4,618	-	4,618	2,584
Equipment, furniture and fixtures	50,240	-	50,240	44,560
Accumulated depreciation	(44,965)	-	(44,965)	(42,260)
TOTAL ASSETS	\$ 111,861	\$ 21,500	\$ 133,361	\$ 165,611
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	\$ 21,242	\$ -	\$ 21,242	\$ 1,737
Accrued expenses	37,936	-	37,936	34,821
Unemployment benefits payable	3,152	-	3,152	-
Advances refundable	9,916	-	9,916	-
Fiscal agency funds	180	-	180	4,122
Note payable	-	-	-	6,200
TOTAL LIABILITIES	72,426	-	72,426	46,880
NET ASSETS	39,435	21,500	60,935	118,731
TOTAL LIABILITIES AND NET ASSETS	\$ 111,861	\$ 21,500	\$ 133,361	\$ 165,611

See notes to financial statements.

STATEMENT OF FINANCIAL ACTIVITIES
GOOD BEGINNINGS OF SULLIVAN COUNTY, INC.
Year Ended June 30, 2012
(With Comparative Totals for the Year Ended June 30, 2011)

	Year Ended June 30, 2012			Year Ended June 30, 2011
	Unrestricted	Temporarily Restricted	Total	Totals (Memorandum)
SUPPORT AND REVENUE				
Governmental support	\$ 363,614	\$ -	\$363,614	\$ 413,498
Program fees	200,062	-	200,062	271,829
Foundations and trusts	18,000	30,000	48,000	24,000
Donated inventory	32,708	-	32,708	49,147
Contributions	27,647	-	27,647	20,311
Donated services	22,790	-	22,790	3,500
Fundraising	13,222	-	13,222	15,027
Reimbursed expenses	5,807	-	5,807	-
Federal health insurance credit	1,196	-	1,196	2,442
Net assets released from restrictions	12,000	(12,000)	-	-
TOTAL SUPPORT AND REVENUE	697,046	18,000	715,046	799,754
EXPENSES				
Program services				
Comprehensive Family Support	195,208	-	195,208	187,747
Child Health	124,202	-	124,202	141,750
Home Visiting	114,598	-	114,598	159,647
Healthy Families	103,008	-	103,008	-
Parent Aide	83,747	-	83,747	54,868
Second Beginnings	51,283	-	51,283	39,154
PREP	21,746	-	21,746	-
Supervised Visitations	4,569	-	4,569	37,958
Prenatal	-	-	-	40,587
	698,361	-	698,361	661,711
Management and general	74,481	-	74,481	85,252
TOTAL EXPENSES	772,842	-	772,842	746,963
CHANGE IN NET ASSETS	(75,796)	18,000	(57,796)	52,791
Net assets at Beginning of Year	115,231	3,500	118,731	65,940
NET ASSETS AT END OF YEAR	\$ 39,435	\$ 21,500	\$ 60,935	\$ 118,731

See notes to financial statements.

STATEMENT OF CASH FLOWS
GOOD BEGINNINGS OF SULLIVAN COUNTY, INC.
Year Ended June 30, 2012
(With Comparative Totals for the Year Ended June 30, 2011)

	Year Ended June 30, 2012			Year Ended
	Unrestricted	Temporarily Restricted	Total	June 30, 2011
				Totals
				(Memorandum)
OPERATING ACTIVITIES				
Change in net assets	\$ (75,796)	\$ 18,000	\$(57,796)	\$ 52,791
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities				
Depreciation	2,705	-	2,705	4,352
(Increase) decrease in operating assets:				
Grants and accounts receivable	(4,438)	-	(4,438)	14,765
Prepaid expenses	(2,034)	-	(2,034)	8,230
Increase (decrease) in operating liabilities:				
Accounts payable	19,505	-	19,505	(1,056)
Accrued expenses	3,115	-	3,115	2,875
Unemployment benefits payable	3,152	-	3,152	-
Advances refundable	9,916	-	9,916	-
Fiscal sponsor funds	(3,942)	-	(3,942)	4,122
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(47,817)	18,000	(29,817)	86,079
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of equipment	(5,680)	-	(5,680)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(5,680)	-	(5,680)	-
FINANCING ACTIVITIES				
Principle payments on bank loan	(6,200)	-	(6,200)	(49,000)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(6,200)	-	(6,200)	(49,000)
INCREASE (DECREASE) IN CASH	(59,697)	18,000	(41,697)	37,079
Beginning cash and cash equivalents	115,965	-	115,965	78,886
ENDING CASH AND CASH EQUIVALENTS	\$ 56,268	\$ 18,000	\$ 74,268	\$ 115,965
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Interest paid	\$ 11			\$ 982

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
GOOD BEGINNINGS OF SULLIVAN COUNTY, INC.
June 30, 2012

NOTE A -- ORGANIZATION

Good Beginnings of Sullivan County, Inc. (the "Organization") is a non-profit organization established in 2004 for the purpose of promoting the physical and emotional health and safety of women and families expecting infants or with young children. The organization serves individuals in New Hampshire's Sullivan and lower Grafton Counties and is funded primarily through governmental financial assistance and program fees, which accounts for 70%, of total revenues. A Board of Directors sets policy for the Organization and an Executive Director has the responsibility of direct management.

NOTE B -- SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation: In accordance with Financial Accounting Standards Board (FASB) ASC 958-200, *Financial Statements of Not-for-Profit Organizations*, the Organization reports information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted net assets: includes assets for which no restrictions as to use or program period have been imposed by the donor; unrestricted contributions, including service contracts, and unconditional promises to give are recorded as increases in the period received; expenses are recorded as decreases to unrestricted net assets when incurred.

Temporarily restricted net assets: includes assets for which restrictions have been imposed as to use or program period; support and revenue is recognized as an increase when the restricted award or contribution is received; when the temporary restriction has expired the amount is reported as a separate reclassification which decreases temporarily restricted net assets and increases unrestricted net assets.

Permanently restricted net assets: includes assets for which the donor has imposed a permanent restriction on the use of the funds. As of June 30, 2012, the organization had no permanently restricted net assets.

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

Cash and Cash Equivalents: The Organization considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Advertising Costs: The Organization uses advertising to promote its programs and to fill positions. The costs of advertising are expensed as incurred. During the year ended June 30, 2012 advertising costs totaled \$6,294.

NOTES TO FINANCIAL STATEMENTS
GOOD BEGINNINGS OF SULLIVAN COUNTY, INC.
June 30, 2012

NOTE B -- SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment: Property, equipment, and improvements with costs greater than \$500 are carried at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions that must be used to acquire property and equipment, are reported as restricted support. Absent donor stipulations as to how long the asset must be maintained, the Organization reports expirations of donor restrictions and reclassifies temporarily restricted net assets to unrestricted net assets when the donated or acquired assets are placed in service as instructed by the donor. Property, equipment, and improvements are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2012 totaled \$2,705. Major maintenance activities are capitalized if they extend the life of the property or equipment.

Revenue Recognition: The Organization accounts for contributions in accordance with FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*. Under such statement, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Unrestricted contributions, and restricted contributions for which the restrictions expire in the fiscal year in which the contributions are recognized, are reported as increases in unrestricted net assets. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted assets are reclassified to unrestricted assets.

Contributed Services, Facilities and Materials: During the year ended June 30, 2012 the Organization received direct and indirect contributions of services, facilities and materials related to its programs and fundraising efforts. The Organization operates two thrift stores which sells donated clothing and housing goods. Because of the difficulty of valuing the donated inventory when it is received, the inventory donation is recognized as income on the statement of activities when the inventory is sold. In addition, the Organization received contributed professional services totaling \$22,790 during the year ended June 30, 2012. The criterion for recognition of such volunteer effort under generally accepted accounting principles is that the services must be specialized skills, which would be purchased if not donated. This condition has been met. These contributed service revenues, and corresponding expenses, have been recognized in the accompanying statement of activities. No other amounts for donated services have been recognized in the accompanying statement of activities because the criteria for recognition under FASB ASC 958-605 have not been satisfied.

Functional Allocation of Expenses: The costs of providing program activities have been summarized on a functional basis in the statement of activities. Support expenses not directly chargeable to program costs are allocated based on direct program expenses, units of service, or other program related methods. Accordingly, certain costs have been allocated between program services and supporting services.

NOTES TO FINANCIAL STATEMENTS
GOOD BEGINNINGS OF SULLIVAN COUNTY, INC.
June 30, 2012

NOTE B -- SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes: The Organization is exempt from federal and state taxes under section 501(c)(3) of the Internal Revenue Code and has been classified as an entity that is not a private foundation within the meaning of Section 509 (a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). The Center's Forms 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2012, 2011 and 2010 are subject to examination by the IRS, generally for three years after they were filed. In accordance with FASB ASC 740-10, the Organization is under the opinion that there are no unsustainable positions that have been taken in regards to Federal or State income tax reporting requirements. Accordingly, management is not aware of any unrecognized tax benefits or liabilities that should be recognized in the accompanying statements.

NOTE C -- GRANTS AND ACCOUNTS RECEIVABLE

The Organization is awarded cost reimbursement grants by various organizations. Revenues associated with these grants are recorded as the associated expenses are incurred. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Grants and accounts receivable totaling \$48,004 as of June 30, 2012 are composed of the following balances due for services provided and are deemed by management to be fully collectible:

Accounts receivable	\$44,504
Grants receivable	<u>3,500</u>
	<u>\$48,004</u>

NOTE D -- SELF FUNDED UNEMPLOYMENT BENEFITS PAYABLE

The Organization elected to be self-funded for the purpose paying employee unemployment claims costs under the New Hampshire Department of Employment Security Statute Chapter 282-A:69 II. Accordingly, the Organization pays unemployment claims at the time an employee files for benefit payments rather than paying quarterly contributions to the New Hampshire unemployment fund. During the year ended June 30, 2012, the Organization implemented a workforce reduction plan as a part of restructuring its operations as a result of state funding reductions and new restrictions on Medicaid benefit payments. The workforce reduction resulted in unemployment claims payments totaling \$10,705 for fiscal 2012. During the first quarter of fiscal 2013 the Organization paid additional unemployment claims totaling \$3,152 related to the fiscal 2012 workforce reduction. This amount has been recorded on the statement of financial position as a liability for self-funded unemployment benefits payable. As of the audit report date, management had no plans for further workforce reductions in fiscal 2013.

NOTES TO FINANCIAL STATEMENTS
GOOD BEGINNINGS OF SULLIVAN COUNTY, INC.
June 30, 2012

NOTE E -- CONTINGENT LIABILITIES

The Organization receives funds under various state and federal programs. Under the terms of these programs, the Organization is required to expend the funds within the designated period for purposes specified in the grant proposal. If expenditures of the funds were found to not have been made in compliance with the proposal, the Organization might be required to return this portion of funds to the grantor. As of June 30, 2012, there were no known disallowed expenditures and, therefore, no provision has been made for this contingency.

NOTE F -- BANK LINE OF CREDIT

The Organization has a bank line of credit in the amount of \$80,000. The bank holds a security interest in all the assets of the Organization. The terms of the credit line include monthly payments of interest, based on the New York Prime rate adjusted monthly, and full payment of the outstanding balance for a minimum period of 30 days each year. As of June 30, 2012, the outstanding balance was \$0.

NOTE G -- OPERATING LEASE ARRANGEMENTS

On December 1, 2011 the Organization signed a lease for a new facility. The lease agreement stipulates an initial lease period of twenty months with one twelve-month automatic renewal. The monthly rental payment is \$1,150, plus utilities and includes a real estate tax escalation clause. Total lease payments on this facility for the year ended June 30, 2012 were \$8,050.

On November 1, 2011 the Organization entered into a lease agreement for the lease of space to open an additional thrift store in a neighboring town. The lease stipulates a monthly rent payment of \$1,250 for an initial term of one year plus utilities. Total lease payments on this facility for the year ended June 30, 2012 were \$8,750.

The Organization leases a photocopier with a minimum monthly rent of \$188 based on a maximum of 7,500 copies at 2.5 cents per copy. If the monthly usage exceeds 7,500, the organization pays the additional amount due at the per copy rate the following month. Total rental expense for the year-ended June 30, 2012 was \$2,594.

Future minimum rental payments are as follows for the fiscal years ending June 30:

2013	\$22,300
2014	14,175
2015	<u>1,150</u>
	<u>\$37,625</u>

NOTES TO FINANCIAL STATEMENTS
GOOD BEGINNINGS OF SULLIVAN COUNTY, INC.
June 30, 2012

NOTE H -- SUPPORT FROM GOVERNMENTAL UNITS

The Organization receives a substantial amount of its support from federal and state governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's ability to continue its programs and activities.

NOTE I -- FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, the Organization is required to disclose certain information about its financial assets and liabilities. As of June 30, 2012 the Organization has no financial instruments subject to the disclosure requirements. Cash and cash equivalents, grants and accounts receivable, prepaid expenses, accounts payable, accrued expenses, self-funded unemployment benefits payable, advances refundable, fiscal agency funds, and note payable are reported in the statement of financial position approximate fair values because of the short maturities of those instruments or because of the fixed rate of interest required to be paid.

NOTE J -- RESTRICTIONS ON ASSETS

As of June 30, 2012 temporary restrictions on net assets totaling \$21,500 were primarily related to funds received for the healthy families America and prenatal programs that had not yet been expended.

NOTE K -- SUBSEQUENT EVENTS

Management considered subsequent events through February 7, 2013, the date the financial statements were available to be issued.

Good Beginnings of Sullivan County
Diana Love Center for Children and Families
PO Box 1098. Claremont, NH 03743 603.542.1848 877.287.7144

Mission Statement

**To Promote the Optimal Health and Development of
New Hampshire Children and Families**

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 GOOD BEGINNINGS OF SULLIVAN COUNTY is a New Hampshire nonprofit corporation formed January 14, 2004. 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 5th day of April A.D. 2013

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

William M. Gardner
Secretary of State



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

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

Nicholas A. Toumpas
Commissioner

Maggie Bishop
Director

May 5, 2011

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

G&C Approved

Date 6/8/11
Item # 106

REQUESTED ACTION

Authorize the Department of Health and Human Services, Divisions for Children, Youth and Families to enter into an agreement with Good Beginnings of Sullivan County, Claremont, NH (Vendor #170625 B001), for the provision of comprehensive family support services in the Claremont region, effective July 1, 2011 or date of Governor and Executive Council approval, whichever comes later, through June 30, 2013, in an amount not to exceed \$183,840.00. Funds for this purpose are anticipated to be available in State Fiscal Years 2012 and 2013 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts, if needed and justified, between State Fiscal Years:

05-95-40-404010-5850 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, TITLE XX GRANTS - SSBG

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130302	\$72,920.00	\$72,920.00	\$145,840.00

05-95-40-404010-5847 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, PROMOTING SAFE-STABLE FAMILIES

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130007	\$19,000.00	\$19,000.00	\$38,000.00
Total:			\$91,920.00	\$91,920.00	\$183,840.00

EXPLANATION

The above action is requested for the provision of comprehensive family support services to families within the Claremont region. Throughout the state, local agencies provide a range of support services to families and children that focus on strengthening, supporting and building on the strengths and skills of individuals. These services adhere to a nationally recognized set of values and principles centered on the empowerment of individuals, families and communities. Since State Fiscal Year 2002, the Division for Children, Youth and Families has formalized partnerships, through the contracting process, with one local agency per catchment area,

His Excellency, Governor John D. Lynch
and the Honorable Executive Council
May 5, 2011
Page 2

to provide services to families experiencing stressors that could cause them to become involved with the Division should they not obtain sufficient support to address their family's needs.

Comprehensive family support services seek to prevent family problems by strengthening parent-child relationships and by providing parents what they need to be good nurturers and providers. The program delivers a wide array of services through a single point of entry and ensures that families can access the services in their home communities, and from agencies and partners that know the individuals and characteristics of the communities that they serve. Services include: visiting family homes to establish a trusting, non-threatening relationship with which the family's needs can be identified; educating parents about their child(ren)'s medical and health needs; linking parents with early childhood care programs and teaching them about child development; supporting and educating parents through peer parent support groups; linking parents with literacy programs to either help parents learn to read or to teach them the importance of reading to their child(ren); family mentoring and advocacy to improve parenting skills, self-sufficiency, family functioning, and reduce the likelihood of abuse and neglect; life skills training to address the family's needs in the context of budgeting, nutrition counseling, financial management, job security, etc. (particularly helpful to young parents); and short-term child placement/respite care to help families ensure their child(ren) are cared for when the parent is temporarily unable to do so.

Through the provision of comprehensive family support services families receive needed services in the most non-intrusive, non-stigmatizing and most efficient manner possible. Over the last six years, the Division for Children, Youth and Families has identified several proven outcomes for participating families, such as not becoming involved in other systems of care, becoming actively engaged with their community, and learning how to pursue and achieve healthy goals. The success of these prevention oriented services helps the Division for Children, Youth and Families achieve its mission, in that children live in nurturing families, and play and go to schools in communities that are safe and cherish children.

Competitive Bidding Process

On February 28, 2011, the Division issued a Request for Proposal for this program. The Request for Proposals was published on the Department of Health and Human Services website and the Division also announced the release of the Request for Proposals via a letter sent to 30 area agencies. As part of the bidding process a bidders conference was held on March 14, 2011 and representatives from fourteen agencies attended. Good Beginnings of Sullivan County was the only agency to submit a proposal for the Claremont region.

The Request for Proposals included evaluation criteria and a description of factors that the Division for Children, Youth and Families would utilize in assessing the effectiveness of proposals received. The Division formed an Evaluation Committee comprised of Division staff from the Bureau of Family and Community-Based Services, as well as staff from the Child Well-Being Bureau and the Division's Financial Analyst and Contract Specialist. Committee members individually reviewed Good Beginnings of Sullivan County's proposal; out of 100 possible points the agency's proposal scored an average of 89.4 points. As a result, the Committee recommended awarding an agreement to Good Beginnings of Sullivan County to serve the Claremont region.

Good Beginnings of Sullivan County has provided comprehensive family support services in this region for the last six years and have received favorable satisfaction ratings. During State Fiscal Year 2010 the agency provided services to 459 children and adults in the Claremont region, including, but not limited to, Life Skills Training, Literacy Education & Support, Family Mentoring & Advocacy, and Parent Education & Support.

His Excellency, Governor John F. Lynch
and the Honorable Executive Council
May 5, 2011
Page 3

Agreement Terms

The agreement calls for the provision of these services for two years and reserved the Division's right to renew them for up to four additional years based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Council approval. Good Beginnings of Sullivan County has provided its services well and is favorably rated by the families it serves in the Claremont region. Supporting Federal Funds continue to be available for these services and Good Beginnings further supports the program by contributing at least 25% of the cost of service provision through contractor match dollars, in effective eliminated the need for matching General Funds.

In the event that this contract is not approved by the Governor and Executive Council, children and families will go without preventative services resulting in the very real likelyhood of increased maltreatment of children in this state.

Geographic area served: Claremont catchment area.

Source of funds: 100% Federal Funds from the US Department of Health and Human Services.

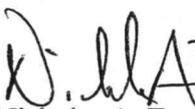
In the event that the Federal funds become no longer available, General funds will not be requested to support this program.

Respectfully submitted,



Maggie Bishop
Director

Approved by:



Nicholas A. Toumpas
Commissioner

Good Beginnings of Sullivan County
BOARD OF DIRECTORS
2013

Debra Mochi (Pres.)
Insurance and Risk Management
PO Box 1098
Claremont, NH 03743

Term Expires 2015

Beth Hoyt-Flewelling (Vice Pres)
Higher Education
PO Box 1098
Claremont, NH 03743

Term Expires 2014

Char Delabar (Treasurer)
Elementary Education
PO Box 1098
Claremont, NH 03743

Term Expires 2014

Susan Elliott, Ph.D.
Higher Education
PO Box 1098
Claremont, NH 03743

Term Expires 2015

Linda Gould
Speech and Language Consultant
PO Box 1098
Claremont, NH 03743

Term Expires 2015

Laurel Hall (Parent Rep)
Elementary Education
PO Box 1098
Claremont, NH 03743

Term Expires 2016

Diana Morris
Non-profit fundraising
PO Box 1098
Claremont, NH 03743

Term Expires 2014

April Royce
Cost Accountant
PO Box 1098
Claremont, NH 03743

Term Expires 2015

Clara Sheehy
Court-Appointed Special Advocate
PO Box 1098
Claremont, NH 03743

Term Expires 2014

William Sullivan
Certified Public Accountant
PO Box 1098
Claremont, NH 03743

Term Expires 2015

Carole Wood
Retired Educator
PO Box 1098
Claremont, NH 03743

Term Expires 2016

Ex-officio:

Ellie Tsetsi (Executive Director)
Richard Slosberg, MD (Medical Director)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/3/2013

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

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

PRODUCER Clark - Mortenson Insurance P.O. Box 606 Keene NH 03431	CONTACT NAME: PHONE (A/C, No. Ext): 603-352-2121 FAX (A/C, No): 603-357-8491 E-MAIL ADDRESS: csr24@clark-mortenson.com	
	INSURER(S) AFFORDING COVERAGE NAIC #	
INSURED Good Beginnings of Sullivan County P.O. Box 1098 Claremont NH 03743	INSURER A: Philadelphia Insurance Company 0	
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
INSURER F :		

COVERAGES **CERTIFICATE NUMBER: 1082375423** **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 checked="" type="checkbox"/> LOC			PHPK883250	7/1/2013	7/1/2014	EACH OCCURRENCE	\$1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$100,000
							MED EXP (Any one person)	\$5,000
							PERSONAL & ADV INJURY	\$1,000,000
							GENERAL AGGREGATE	\$3,000,000
							PRODUCTS - COMP/OP AGG	\$3,000,000
								\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	\$
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE	\$
							AGGREGATE	\$
								\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATUTORY LIMITS	OTHER
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$
A	Professional Liability			PHPK883250	7/1/2013	7/1/2014	\$1,000,000 \$3,000,000	Each Occurrence Annual Aggregate

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

CERTIFICATE HOLDER

CANCELLATION

NH Dept. of Health and Human Services Division of Public Health Services 29 Hazen Drive Concord NH 03301-6504	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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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/3/2013

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

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

PRODUCER E & S Insurance Services LLC 21 Meadowbrook Lane P O Box 7425 Gilford NH 03247-7425		CONTACT NAME: Fairley Kenneally PHONE (A/C No, Ext): (603) 293-2791 FAX (A/C, No): (603) 293-7188 E-MAIL ADDRESS: fairley@esinsurance.com	
INSURED Good Beginnings of Sullivan County P O Box 1098 Claremont NH 03743		INSURER(S) AFFORDING COVERAGE INSURER A: First Comp	NAIC #
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 2013

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	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/PO/AGG \$	
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$	
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE EACH OCCURRENCE \$ AGGREGATE \$	
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			WC0093557-05	07012013	07012014	<input type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER	E.L. EACH ACCIDENT \$ 100000 E.L. DISEASE - EA EMPLOYEE \$ 500000 E.L. DISEASE - POLICY LIMIT \$ 100000

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

CERTIFICATE HOLDER**CANCELLATION**

State of NH Dept of Health & Human Serv.
 Division of Public Health & Human Services
 Dir.
 29 Hazen Drive
 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

F Kenneally/FAIRLE

Fairley Kenneally



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the *Comprehensive Family Support Service Contract***

This **1st** Amendment to the ***Comprehensive Family Support Services*** contract (hereinafter referred to as "Amendment 1") dated this 22nd day of April, **2013**, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and ***Lakes Region Community Services Council*** (hereinafter referred to as "the Contractor"), a ***non-profit corporation*** company with a place of business at ***719 Main Street, Laconia, NH 03246***.

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

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 and ***Exhibit C-1, section 1***, the State may, ***renew the contract for up to four additional years*** by written agreement of the parties;

WHEREAS ***the State and the Contractor have agreed that a one-year extension of the contract is agreeable to the parties;***

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

To amend as follows:

- Form P-37, Item 1.7, Completion Date shall be amended to read "June 30, 2014"
- Form P-37, Item 1.8, Price Limitation, shall be amended to read "\$273,260.00"
- Exhibit A, Scope of Services, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, Section 1, shall be amended to read "\$273,260.00"



New Hampshire DHHS

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

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

5/21/13
Date

State of New Hampshire
Department of Health and Human Services

Nicholas A. Toumpas
Nicholas A. Toumpas
Commissioner

Lakes Region Community Services Council

4/25/13
Date

Christine Santaniello
Christine Santaniello
Executive Director

Acknowledgement:

State of NH, County of Belknap on 4/25/2013, before the undersigned officer, personally appeared the person identified above, of satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Judith A. Maguire
Name and Title of Notary or Justice of the Peace 10-21-2014

New Hampshire DHHS



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

OFFICE OF THE ATTORNEY GENERAL

3 May 2013
Date

[Signature]
Name: Jeanne P. Herrick
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

LAKES REGION
**COMMUNITY
SERVICES**

Engage. Empower. Inspire.

CERTIFICATE OF VOTE
Without Seal

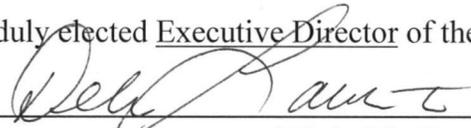
I, Debra Laliberte, do hereby certify that:

1. I am the duly elected Clerk of Lakes Region Community Services Council.
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 the 20th day of February, 2013:

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, Division for Children, Youth and Families, for the provision of Comprehensive Family Support Services.

RESOLVED: That the Executive Director is 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 he/she 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 the 25th day of April, 2013.
4. Christine Santaniello is the duly elected Executive Director of the Corporation.



(Signature of Clerk of the Corporation)

State of New Hampshire
County of Belknap

The foregoing instrument was acknowledged before me this 25th day of April,
2013, by Debra Laliberte
(Name of Clerk of the Corporation)

Notary Seal



(Notary Public/Justice of the Peace)
Commission Expires: 10-21-2014

State of New Hampshire
Department of Health and Human Services

Division for Children, Youth and Families

EXHIBIT B-1, Comprehensive Family Support Services
PERSONNEL DATA - Lakes Region Community Serv
State Fiscal Year 2014

	Name	Title	Annual Salary	% of Time to Work on the Project	Project Amount Charged for SFY 2014 (7/1/13 - 6/30/14)
1	Mary Beshta	Family Support Specialist	\$34,957.00	100%	\$ 34,957.00
2	Tammy Emery	Family Support Specialist	\$ 29,250.00	100%	\$ 29,250.00
3			\$ -		\$ -
4			\$ -		\$ -
5			\$ -		\$ -
6			\$ -		\$ -
7			\$ -		\$ -
8					
9					
	Total:		\$ 64,207.00		\$ 64,207.00

Contractor Initials: *CS*
Date: *4/25/13*

New Hampshire Department of Health and Human Services

Bidder/Program Name: Lakes Region Community Services

Budget Request for: CFSS

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

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$64,207	\$	\$64,207	28792	\$92,999	
2. Employee Benefits	\$21,830	\$	\$21,830	\$	\$21,830	
3. Consultants	\$	\$	\$	\$ 10,500.00	\$10,500	
4. Equipment:	\$	\$	\$	\$	\$0	
Rental	\$	\$	\$	\$	\$0	
Repair and Maintenance	\$	\$	\$	\$	\$0	
Purchase/Depreciation	\$	\$	\$	\$	\$0	
5. Supplies:	\$	\$	\$	\$	\$0	
Educational	\$	\$	\$	\$ 1,000.00	\$1,000	
Office	\$	\$	\$	\$	\$0	
6. Travel	\$3,383	\$	\$3,383	\$ 1,800.00	\$5,183	
7. Occupancy	\$	\$	\$	\$ 6,900.00	\$6,900	
8. Current Expenses	\$	\$	\$	\$	\$0	
Telephone	\$	\$	\$	\$ 1,500.00	\$1,500	
Postage	\$	\$	\$	\$	\$0	
Subscriptions	\$	\$	\$	\$	\$0	
Audit and Legal	\$	\$	\$	\$	\$0	
Insurance	\$	\$	\$	\$	\$0	
Board Expenses	\$	\$	\$	\$	\$0	
9. Software	\$	\$	\$	\$	\$0	
10. Marketing/Communications	\$	\$	\$	\$ 1,500.00	\$1,500	
11. Staff Education and Training	\$	\$	\$	\$	\$0	
12. Subcontracts/Agreements	\$	\$	\$	\$	\$0	
13. Other (specific details mandatory):	\$	\$	\$	\$	\$0	
TOTAL	\$ 89,420.00	\$ -	\$ 89,420.00	\$ 51,992.00	\$141,412	

Indirect As A Percent of Direct

0

Contractor Initials: CLB

Date: 7/25/13

Financial Statements

LAKES REGION COMMUNITY SERVICES
COUNCIL, INC.

FOR THE YEARS ENDED
JUNE 30, 2012 AND 2011
AND
INDEPENDENT AUDITORS' REPORT

*Leone,
McDonnell
& Roberts*
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

JUNE 30, 2012

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Leone, McDonnell & Roberts

Professional Association
CERTIFIED PUBLIC ACCOUNTANTS
WOLFEBORO • NORTH CONWAY
DOVER • CONCORD
STRATHAM

To the Board of Directors of
Lakes Region Community Services Council, Inc.
Laconia, New Hampshire

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of Lakes Region Community Services Council, Inc. (a nonprofit organization) as of June 30, 2012 and 2011, and the related statements of cash flows for the years then ended, and the related statements of activities and functional expenses for the year ended June 30, 2012. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information has been derived from the Organization's 2011 financial statements and, in our report dated September 7, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit for the year ended June 30, 2012 in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Organization were not audited in accordance with *Government Auditing Standards* for the year ended June 30, 2011. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lakes Region Community Services Council, Inc. as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2012, on our consideration of Lakes Region Community Services Council, Inc.'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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional revenues is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Lane, McDonnell & Roberts
Professional Association*

Wolfeboro, New Hampshire
October 1, 2012

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2012 AND 2011

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
CURRENT ASSETS		
Cash and equivalents:		
Cash in bank	\$ 41,768	\$ 1,546,947
Certificates of deposits	207,678	513,224
Federated managed funds	5,520	155,362
Accounts receivable:		
Medicaid	1,346,705	853,676
Other, net of allowance for doubtful accounts of \$50,000 at June 30, 2012 and 2011, respectively	731,517	192,490
Prepaid expenses	<u>235,896</u>	<u>579,516</u>
Total current assets	<u>2,569,084</u>	<u>3,841,215</u>
PROPERTY AND EQUIPMENT, NET	<u>4,225,517</u>	<u>198,940</u>
OTHER ASSETS		
Deposits	<u>53,354</u>	<u>53,354</u>
Total assets	<u>\$ 6,847,955</u>	<u>\$ 4,093,509</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Current portion of long term debt	\$ 45,853	\$ -
Accounts payable	527,345	592,845
Accrued salaries, wages, and related expenses	277,235	188,088
Accrued earned time	299,388	365,100
Refundable advances	82,679	30,262
Other accrued expenses	<u>78,140</u>	<u>45,335</u>
Total current liabilities	<u>1,310,640</u>	<u>1,221,630</u>
LONG TERM LIABILITIES		
Due to affiliates, net	239,609	97,935
Long term debt, less current portion shown above	<u>442,826</u>	<u>-</u>
Total long term liabilities	<u>682,435</u>	<u>97,935</u>
Total liabilities	<u>1,993,075</u>	<u>1,319,565</u>
NET ASSETS		
Unrestricted	3,197,780	2,773,944
Temporarily restricted	<u>1,657,100</u>	<u>-</u>
Total net assets	<u>4,854,880</u>	<u>2,773,944</u>
Total liabilities and net assets	<u>\$ 6,847,955</u>	<u>\$ 4,093,509</u>

See Notes to Financial Statements

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2012 Total</u>	<u>2011 Total</u>
CHANGES IN NET ASSETS				
Revenues				
Program fees	\$ 1,179,361	\$ -	\$ 1,179,361	\$ 1,112,151
Medicaid	17,739,766	-	17,739,766	16,692,991
Client resources	72,667	-	72,667	70,280
Other third party payers	34,761	-	34,761	167,502
Public support	273,287	1,657,100	1,930,387	258,096
Private foundations	25,257	-	25,257	4,399
Production/service income	253,611	-	253,611	270,304
Investment	6,162	-	6,162	9,263
In-kind donations	65,000	-	65,000	65,000
State of New Hampshire - DDS	1,078,033	-	1,078,033	1,043,672
Management fees	20,568	-	20,568	21,206
Other	471,691	-	471,691	194,782
Total revenues	<u>21,220,164</u>	<u>1,657,100</u>	<u>22,877,264</u>	<u>19,909,646</u>
Expenses				
Program services				
Service coordination	966,460	-	966,460	1,006,851
Day programs	4,080,565	-	4,080,565	4,169,025
Early intervention	614,288	-	614,288	605,780
Enhanced family care	3,270,253	-	3,270,253	2,953,399
Community options	227,190	-	227,190	185,803
Community residences	6,105,485	-	6,105,485	6,130,839
Transportation	143,420	-	143,420	139,950
Family support	2,750,035	-	2,750,035	2,662,379
Other DDS	14,482	-	14,482	14,617
Other programs	478,570	-	478,570	448,935
Supporting activities				
General management	2,135,383	-	2,135,383	1,760,300
Fundraising	10,197	-	10,197	94,108
Total expenses	<u>20,796,328</u>	<u>-</u>	<u>20,796,328</u>	<u>20,171,986</u>
INCREASE (DECREASE) IN NET ASSETS	423,836	1,657,100	2,080,936	(262,340)
NET ASSETS, BEGINNING OF YEAR	<u>2,773,944</u>	<u>-</u>	<u>2,773,944</u>	<u>3,036,284</u>
NET ASSETS, END OF YEAR	<u>\$ 3,197,780</u>	<u>\$ 1,657,100</u>	<u>\$ 4,854,880</u>	<u>\$ 2,773,944</u>

See Notes to Financial Statements

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,080,936	\$ (262,340)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	68,083	53,506
(Increase) decrease in assets:		
Accounts receivable	(1,032,056)	333,149
Prepaid expenses	343,620	(269,418)
Deposits	-	15,321
Increase (decrease) in liabilities:		
Accounts payable	(65,500)	70,859
Accrued salaries, wages, and related expenses	89,147	(348,399)
Accrued earned time	(65,712)	25,157
Refundable advances	52,417	(75,011)
Other accrued expenses	32,805	5,150
	<u>1,503,740</u>	<u>(452,026)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	<u>(4,094,660)</u>	<u>(24,187)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(4,094,660)</u>	<u>(24,187)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	500,000	-
Repayment of long term debt	(11,321)	-
Increase (decrease) in due to affiliates	<u>141,674</u>	<u>(507,324)</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>630,353</u>	<u>(507,324)</u>
NET DECREASE IN CASH AND EQUIVALENTS	(1,960,567)	(983,537)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>2,215,533</u>	<u>3,199,070</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 254,966</u>	<u>\$ 2,215,533</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION

	Service Coordination	Day Programs	Early Intervention	Enhanced Family Care	Community Options	Community Residences	Transportation	Family Support	Other DDS	General Management	Fundraising	Total DDS Funded	Total Non-DDS Funded	2012 Totals	2011 Totals
PERSONNEL COSTS															
Salaries and wages	\$ 592,226	\$ 2,347,261	\$ 399,145	\$ 139,950	\$ 142,193	\$ 3,013,692	\$ 16,360	\$ 1,078,087		\$ 912,990		\$ 8,641,904	\$ 288,531	\$ 8,930,435	\$ 8,946,997
Employee benefits	214,956	838,563	129,815	51,269	49,868	1,052,427	6,026	317,989		288,444		2,949,357	103,227	3,052,584	2,945,613
Payroll taxes	42,760	184,676	26,563	9,912	9,456	235,369	1,326	78,525		75,139		663,726	25,806	689,532	667,393
PROFESSIONAL FEES AND CONSULTATIONS															
Client treatment & therapies	41,274	316		2,949,001		231,276		846,081				4,067,948		4,067,948	3,677,025
Accounting/auditing	9,203	75				114,375		114,375		114,375		114,375		114,375	117,389
Legal										21,063		30,341		30,341	43,741
Subcontract services				69,138	8,330	897,191		147,679		72,391		1,194,729	9,395	1,204,124	1,030,644
Other professional fees	6,965	13,945	107	829		7,012		11,560	11,314	44,818	1,100	97,650	7,784	105,434	177,099
STAFF DEVELOPMENT AND TRAINING															
Journals and publications		36						28		1,295		1,359	37	1,396	2,780
Conference/conventions	320	2,935	240	330		10,144		3,041		10,144	150	17,160	979	18,139	34,135
Other staff development	297	5,845	6,119	1,839		17,964		1,321		15,502		48,587	136	48,723	56,159
OCCUPANCY COSTS															
Rent	8,700	53,347	12,685			194,413		22,700		(300)	450	291,995	7,715	299,710	330,183
Mortgage payments						9,989		9,989				9,989		9,989	9,417
Utilities	1,524	10,390	825			92,228		1,549		46,996		153,513		153,513	144,200
Repairs and maintenance	491	4,272		5		21,860		1,139		31,076		56,843		56,843	67,668
Other occupancy costs	80	486		386		4,947		404		22,284		28,597	372	28,969	4,756
CONSUMABLE SUPPLIES															
Office supplies and equipment															
under \$1,000	529	5,631	3,810			3,110		1,736		38,559	207	53,582	8,152	61,734	50,822
Building/household	227	1,022				21,330		214		618		23,411	95	23,506	29,819
Client	13,852	10,661	176	20,246		127,478		3,581		10,439	2,776	189,209	3,992	193,201	213,894
Medical supplies	657	10		574		2,875		3,981				8,097		8,097	16,424
ASSISTANCE TO INDIVIDUALS															
PRODUCT SALES	3,653	690				904		27,774				33,021	3,265	36,286	70,875
EQUIPMENT RENTAL	1,909	23,349						8,822		4,002		21,428	1,754	23,349	20,910
EQUIPMENT MAINTENANCE		6,695						150				23,349		23,182	43,431
DEPRECIATION		4,586		2,245		3,223		2,213				90,706		90,706	47,127
ADVERTISING		2,833				1,326					2,814	68,083		68,083	53,506
PRINTING	459	370	314	284		7,615		552		3,855		17,409	3,774	21,183	10,842
TELEPHONE	3,893	8,115	1,241	1,506		7,952		3,996		2,258		14,352	1,886	16,238	16,899
POSTAGE	162	174		42		31		632	21	16,914	10	50,296	1,684	51,980	57,773
TRANSPORTATION	20,661	405,009	22,231	21,523	17,343	121,826	98,688	122,299	3,147	7,007		839,734	8,970	848,704	786,133
INSURANCE							21,020			53,489		74,509		74,509	104,029
MEMBERSHIP DUES		80	300			1,547		58,239		35,319		95,485	615	96,100	78,101
IN-KIND DONATIONS										65,000		65,000		65,000	60,000
CLIENT PAYMENTS	673	146,716	6,029	199		8,385		198		8,869		171,069	69	171,138	182,420
INTEREST										2,481		2,481		2,481	-
OTHER	989	2,362	1,010	955		2,023		565		80,184	432	88,520	239	88,759	28,635
TOTAL FUNCTIONAL EXPENSES	\$ 966,460	\$ 4,080,565	\$ 614,288	\$ 3,270,253	\$ 227,190	\$ 6,105,465	\$ 143,420	\$ 2,750,035	\$ 14,482	\$ 2,135,383	\$ 10,197	\$ 20,317,758	\$ 4,78,570	\$ 20,796,328	\$ 20,171,966

See Notes to Financial Statements

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Lakes Region Community Services Council, Inc. (the Council) is a New Hampshire nonprofit corporation organized exclusively for charitable purposes to ensure there is a coordinated and efficient program of human services dealing effectively with the problems and needs of the developmentally impaired of Belknap County, lower Grafton County and the surrounding communities.

Basis of Accounting

The financial statements of Lakes Region Community Services Council, Inc. have been prepared on the accrual basis of accounting.

Basis of Presentation

The Council is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The classes of net assets are determined by the presence or absence of donor restrictions.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support, depending on the nature of the restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the Council reports the support as unrestricted.

Property and Depreciation

Property and equipment are recorded at cost or, if contributed, at estimated fair value at the date of contribution. Material assets with a useful life in excess of one year are capitalized. Depreciation is provided for using the straight-line method in amounts designed to amortize the cost of the assets over their estimated useful lives as follows:

Buildings and improvements	5 - 40 Years
Furniture, fixtures and equipment	3 - 10 Years

Expenditures for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related accumulated depreciation, and any gain or loss is recognized.

Refundable Advances

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services or expenditures are incurred.

Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

Accrued Earned Time

The Council has accrued a liability for future compensated leave time that its employees have earned and which is vested with the employee.

Income Taxes

The Council is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined the Council to be other than a private foundation.

Management has evaluated the Council's tax positions and concluded that the Council has maintained its tax-exempt status and has taken no uncertain tax positions that would require adjustment to the financial statements. With few exceptions, the Council is no longer subject to income tax examinations by the United States Federal or State tax authorities prior to 2008.

Cash Equivalents

The Council considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents.

In-kind Donations

Donated facilities are reflected as revenue and expense in the accompanying financial statements. The donated facilities represent the estimated fair value of rent expense the Council would incur under a normal lease agreement. The Council occupied office facilities owned by the State of New Hampshire. The Council has estimated the fair market value of the annual rental to be \$65,000 for each of the years ended June 30, 2012 and 2011. Subsequent to the year ended June 30, 2012, the Council completed its move to a new office facility and therefore will no longer recognize rental income as an in-kind donation.

Advertising

The Council expenses advertising costs as incurred.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, costs have been allocated among the program services and supporting activities benefited.

Estimates

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

Subsequent Events

Subsequent events have been evaluated through October 1, 2012, the date the financial statements were available to be issued.

2. PROPERTY AND EQUIPMENT

As of June 30, 2012 and 2011, property and equipment consisted of the following:

Buildings and improvements	\$ 3,811,811	\$ -
Leasehold improvements	450,907	445,960
Furniture, fixtures and equipment	581,987	467,593
Land	<u>152,200</u>	<u>-</u>
Total	4,996,905	913,553
Less accumulated depreciation	<u>(771,388)</u>	<u>(714,613)</u>
	<u>\$ 4,225,517</u>	<u>\$ 198,940</u>

Depreciation expense for the years ended June 30, 2012 and 2011 amounted to \$68,083 and \$53,506, respectively.

During the year ended June 30, 2012 the Council received donated property in the form of an office building, with fair market value of \$1,657,100, at the time of donation. Subsequent to receipt of the property it was necessary for the Council to make significant improvements in order for the facility to be suitable for the Council's needs and to be brought up to current building code requirements. Total improvements for the year ended June 30, 2012 related to the new office building totaled \$2,154,711. A portion of these improvements were financed with new debt (see Note 4).

3. DEMAND NOTE PAYABLE

The Council maintains a revolving line of credit with a bank. The revolving line of credit provides for maximum borrowings up to \$1,500,000 and is renewable annually. At June 30, 2012 and 2011 the interest was stated at the bank's prime rate of 3.25%. The note has a scheduled maturity date of October 31, 2012, and is collateralized by all of the business assets of the Council and guaranteed by related nonprofit organizations (see Note 9). At June 30, 2012 and 2011 there was no amount outstanding on this line of credit.

4. LONG TERM DEBT

During April, 2012, the Council entered into a note payable agreement with the Community Development Finance Authority. The principal amount of the note is \$500,000 and the interest rate is stated at 2.00%. Principal payments of \$4,601 are payable in equal monthly installments for a period of ten years. The loan is collateralized by various property of a related party (see Note 9). At June 30, 2012 \$488,679 was outstanding under the note payable.

The schedule of maturities of long term debt at June 30, 2012 is as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Amount</u>
2013	\$ 45,853
2014	46,779
2015	47,723
2016	48,686
2017	49,669
Thereafter	<u>249,969</u>
Total	<u>\$ 488,679</u>

5. RESTRICTIONS ON NET ASSETS

In 2012 the Council received donated surplus property in the form of a building. The temporarily restricted net assets at June 30, 2012 consist of the value of the building. The use of this building is restricted by deed for thirty years from the date of donation.

6. RETIREMENT PLAN

The Council maintains a retirement plan for all eligible employees. During the years ended June 30, 2012 and 2011 the Council made matching contributions of 100% of a participant's salary reduction that was not in excess of 1.5% of the participant's compensation. The employees can make voluntary contributions to the plan of up to approximately 15% of gross wages. All employees who work one thousand hours per year are eligible to participate after one year of employment and attaining the age of twenty one. The Council's contribution to the retirement plan for the years ended June 30, 2012 and 2011 was \$46,308 and \$33,446, respectively.

7. CONCENTRATION OF RISK

For the years ended June 30, 2012 and 2011 approximately 78% and 84% of the total revenue was derived from Medicaid. The future existence of the Council is dependent upon continued support from Medicaid.

In order for the Council to receive Medicaid funding, they must be formally approved by the State of New Hampshire, Division of Mental Health and Developmental Services as the provider of services for developmentally disabled individuals for that region. The Council was scheduled for re-designation during September 2011, however they were notified by the State of New Hampshire that the current designation would be extended for one year.

8. LEASE COMMITMENTS

The Council has entered into various operating lease agreements to rent certain facilities and office equipment for their community residences and other programs. The terms of these leases range from one to ten years. The Council also leases various apartments on behalf of clients on a month-to-month basis. Rent expense under these agreements aggregated \$322,892 and \$373,614 for the years ended June 30, 2012 and 2011, respectively.

The future minimum lease payments on the above leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2013	\$ 104,966
2014	65,006
2015	56,892
2016	16,320
2017	16,320
Thereafter	<u>12,240</u>
Total	<u>\$ 271,744</u>

Refer to Note 9 for information regarding a lease agreement with a related party.

9. RELATED PARTY TRANSACTIONS

Lakes Region Community Services Council, Inc. is related to the following nonprofit corporations as a result of common board membership:

<u>Related Party</u>	<u>Function</u>
Genera Corporation	Manages and leases property
Greater Laconia Transit Agency	Provided transportation services

Lakes Region Community Services Council, Inc. has contracts and transactions with the above related parties during its normal course of operations. The significant related party transactions are as follows:

<u>Corporation Received From:</u>	<u>Amount</u>		<u>Purpose</u>
	<u>2012</u>	<u>2011</u>	
Genera Corporation	\$ 14,400	\$ 14,400	Management, Accounting and Financial Services
Genera Corporation	14,988	14,988	Insurance Reimbursement
<u>Paid To:</u>	<u>2012</u>	<u>2011</u>	
Genera Corporation	\$ 112,200	\$ 106,473	Rental of Homes
Greater Laconia Transit Agency	58,278	88,370	Prepaid Expenses Related to Affiliated Organization (See Below)

<u>Due (To)/From:</u>	<u>2012</u>	<u>2011</u>
Genera Corporation	\$(248,466)	\$(109,884)
Greater Laconia Transit Agency	<u>8,857</u>	<u>11,949</u>
	<u>\$(239,609)</u>	<u>\$ (97,935)</u>

There are no specified terms of payment and no interest stated on the related party due (to) from accounts.

Demand Note Payable

The Council's demand notes payable are guaranteed by Genera Corporation (see Note 3).

Long Term Debt

During the year ended June 30, 2012 Lakes Region Community Services Council, Inc., obtained financing from the Community Development Finance Authority (CDFA) related to improvements necessary to the renovation of their new facility. The note to the CDFA is collateralized by certain real property of Genera Corporation (see Note 4).

Rent

The Council has a perpetual lease agreement with Genera Corporation which calls for annual rent payments. The future minimum lease payments under the lease are \$112,200 annually.

Insurance Reimbursement

Lakes Region Community Services Council, Inc. carries a joint liability policy with the related parties above. Lakes Region Community Services Council, Inc. pays for the coverage in full and then is reimbursed by the affiliates based on contracts between the agencies.

Prepaid Expenses Related to Affiliated Organization

The Council has recorded prepaid expenses related to advances paid to Greater Laconia Transit Agency for the purchase of vehicles to be used solely for the transportation services for the Council's consumers. Total advances for the years ended June 30, 2012 and 2011 amounted to \$58,278 and \$88,370, respectively.

The Council is expensing these advances over the useful lives of the vehicles (3 - 7 years). Accordingly, Greater Laconia Transit Agency has recorded the advances as deferred revenue and is recognizing income consistently over the useful lives of the vehicles. The total amount of the advances expensed by the Council and included as revenue by Greater Laconia Transit Agency was \$71,767 and \$80,238 for the years ended June 30, 2012 and 2011, respectively.

10. CONTINGENCIES

Grant Compliance

The Council receives funds under various state grants and from Federal sources. Under the terms of these agreements, the Council is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the Council may be required to repay the funds.

No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed by government audits as of June 30, 2012.

11. CLIENT FUNDS

The Council administers funds for certain consumers. No asset or liability has been recorded for this amount. As of June 30, 2012 and 2011, client funds held by the Council aggregated \$222,872 and \$182,319, respectively.

12. GUARANTOR OF THIRD-PARTY INDEBTEDNESS

The Council guaranteed the revolving line of credit with a bank of an unrelated Laconia nonprofit organization. The maximum available credit was \$25,000. During the year ended June 30, 2011 the nonprofit organization no longer required the Council to guarantee the revolving line of credit. At June 30, 2011 there was no amount outstanding on the line of credit.

13. CONCENTRATION OF CREDIT RISK

The Council maintains several of their cash balances at one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 for interest bearing accounts, and non-interest bearing accounts are fully insured at June 30, 2012 and 2011. The Council also obtained supplemental deposit insurance from a financial institution. At June 30, 2012, there were no uninsured cash balances. At June 30, 2011 the uninsured cash balances aggregated \$50,704.

14. FINANCIAL INSTRUMENTS WITH OFF STATEMENT OF FINANCIAL POSITION RISK

The Council is a party to financial instruments with off Statement of Financial Position risk in the normal course of business. A portion of the Council's overnight deposit bank balances are swept into an uninsured repurchase agreement. Repurchase agreement balances were \$591,282 and \$1,515,310 as of June 30, 2012 and 2011, respectively. Management, however, does not feel exposed to significant credit risk due to the collateralized nature of these investments.

15. RECLASSIFICATION

Certain amounts and accounts from the prior year's financial statements were reclassified to enhance comparability with the current year's financial statements.

SUPPLEMENTARY INFORMATION

(See Independent Auditors' Report)

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

SCHEDULE OF FUNCTIONAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2012

WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION

	Service Coordination	Day Programs	Early Intervention	Enhanced Family Care	Community Options	Community Residences	Family Support	Other DDS	General Management	Fundraising	Total DDS Funded	Total Non-DDS Funded	2012 Totals	2011 Totals
Program fees	\$ 570,029	\$ 588	\$ 35,203	\$ 766,976	\$ 2,208	\$ 302,749	\$ 3,000,194	\$ 18,086	\$ 19,410	\$	\$ 1,145,220	\$ 34,141	\$ 1,179,361	\$ 1,112,151
Medicaid	(2,170)	3,476,310	587,512	3,937,682	204,431	5,781,228	3,000,194		169,157		17,726,543	13,223	17,739,766	16,692,991
Client resources		1,319		44,283	5,188	18,582	5,515				72,667		72,667	70,280
Other third party payers		34,761									34,761		34,761	167,502
Public support		300				100	350		1,683,297	9,070	1,693,117	237,270	1,930,387	258,096
Private foundations						650					650	24,607	25,257	4,399
Production/service income	2,264	247,987									250,251	3,360	253,611	270,304
Investment									6,162		6,162		6,162	9,263
In-kind donations									65,000		65,000		65,000	65,000
State of New Hampshire - DDS									1,078,033		1,078,033		1,078,033	1,043,672
Management fees		(5,513)	883						14,400	700	14,400	6,168	20,568	21,206
Other									422,918		418,988	52,703	471,691	194,782
TOTAL FUNCTIONAL REVENUES	\$ 570,123	\$ 3,755,752	\$ 623,598	\$ 4,748,941	\$ 211,807	\$ 6,103,279	\$ 3,006,059	\$ 18,086	\$ 3,458,377	\$ 9,770	\$ 22,505,792	\$ 371,472	\$ 22,877,264	\$ 19,909,646

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
<u>Direct Program:</u>		
Surplus Property Utilization	93.291	\$ 1,657,100
<u>Pass-through programs from:</u>		
<u>State of New Hampshire, Department of Health and Human Services</u>		
Medicaid Infrastructure Grants	93.768	<u>20,000</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>\$ 1,677,100</u>
<u>U.S. DEPARTMENT OF ENERGY</u>		
<u>Pass-through programs from:</u>		
<u>New Hampshire Community Development Finance Authority</u>		
State Energy Program - ARRA	81.041	\$ 225,000
Energy Efficiency and Conservation Block Grant Program Loan - ARRA	81.128	<u>500,000</u>
TOTAL U.S. DEPARTMENT OF ENERGY		<u>\$ 725,000</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>		
<u>Pass-through programs from:</u>		
<u>State of New Hampshire, Department of Agriculture - Rural Development:</u>		
Community Facilities Grant	10.766	\$ 57,080
Community Facilities Grant - ARRA	10.780	<u>84,412</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>\$ 141,492</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 2,543,592</u>

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Lakes Region Community Services Council, Inc. under programs of the federal government for the year ended June 30, 2012. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operation of Lakes Region Community Services Council, Inc., it is not intended to and does not present the financial position, change in net assets, or cash flows of the Council.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 SURPLUS PROPERTY UTILIZATION

Donated surplus property is reported in the Schedule of Expenditures of Federal Awards at the fair value at the date the property was received.

**Leone,
McDonnell
& Roberts**

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LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**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 Directors of
Lakes Region Community Services Council, Inc.
Laconia, New Hampshire

We have audited the financial statements of Lakes Region Community Services Council, Inc. (a nonprofit organization) as of and for the year ended June 30, 2012, and have issued our report thereon dated October 1, 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

Management of Lakes Region Community Services Council, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Lakes Region Community Services Council, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lakes Region Community Services Council, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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 previously defined.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, Board of Directors, others within the Organization, 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.

*Leme, McDonnell & Roberts
Professional Association*

October 1, 2012
Wolfeboro, New Hampshire

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of
Lakes Region Community Services Council, Inc.
Laconia, New Hampshire

Compliance

We have audited Lakes Region Community Services Council, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lakes Region Community Services Council, Inc.'s major federal programs for the year ended June 30, 2012. Lakes Region Community Services Council, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Lakes Region Community Services Council, Inc.'s management. Our responsibility is to express an opinion on Lakes Region Community Services Council, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lakes Region Community Services Council, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Lakes Region Community Services Council, Inc.'s compliance with those requirements.

In our opinion, Lakes Region Community Services Council, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of Lakes Region Community Services Council, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Lakes Region Community Services Council, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lakes Region Community Services Council, Inc.'s internal control over compliance.

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

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

This report is intended for the information and use of management, Board of Directors, others within the Organization, 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.

Leone, McDonnell & Roberts
Professional Association

October 1, 2012
Wolfeboro, New Hampshire

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Lakes Region Community Services Council, Inc.
2. There were no significant deficiencies reported in the *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*.
3. No instances of noncompliance material to the financial statements of Lakes Region Community Services Council, Inc., which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No significant deficiencies in internal control over the major federal award program are reported in the *Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditors' report on compliance for the major federal awards program for Lakes Region Community Services Council, Inc. expresses an unqualified opinion on the major federal program.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in part C of this schedule.
7. The program tested as a major program was: CFDA # 93.291 Surplus Property Utilization.
8. The threshold for distinguishing between Type A and B programs was \$300,000.
9. Lakes Region Community Services Council, Inc. was not determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAM AUDIT

NONE



LAKES REGION
COMMUNITY
SERVICES

Engage. Empower. Inspire.

Mission Statement

Dedicated to serving the community by promoting independence, dignity and opportunity.

Value Statements

As individuals and as a community agency, we:

- Value all people;
- Value a team approach in all we do;
- Value and respect one another;
- Value our relationships in the communities in which we live and work;
- Value our role as facilitators of relationships; and
- Value and recognize that our relationships evolve, grow, and change over time.

Lakes Region Community Services
Board of Directors ~ 2012- 2013

√*Gary Lemay, President

[Redacted]

*Benjamin Phillips

[Redacted]

√*Susan Gunther, Vice President

[Redacted]

J. Allan Gauthier

[Redacted]

√*R. Stuart Wallace, Treasurer

[Redacted]

*Cynthia Mathews

[Redacted]

√Debra Laliberte, Secretary

[Redacted]

*Virginia Donaldson

[Redacted]

√ Margaret Plumer

[Redacted]

√ Margaret Selig
Director of Laconia Adult Ed
Laconia High School

345 Union Avenue
Laconia, NH 03246
(H): 524-0109 (W): 524-5712 (C): 455-4727
Email: pselig@laconia.k12.nh.us

√ Denotes Executive Board Member
* Denotes a Board Member Consumer
(6/13/12)

√*Carrie Chase

[Redacted]

√*Randy Perkins

[Redacted]

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 Lakes Region Community Services Council is a New Hampshire nonprofit corporation formed July 29, 1975. 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 30th day of January A.D. 2013

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

William M. Gardner
Secretary of State

DCYF
con- acts



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

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

Nicholas A. Toumpas
Commissioner

Maggie Bishop
Director

May 12, 2011

G&C Approved

Date 6/22/11
Item # 252

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to enter into an agreement with Lakes Region Community Services, Laconia, NH (Vendor #177251 B002), for the provision of comprehensive family support services in the Laconia region, effective July 1, 2011 or date of Governor and Executive Council approval, whichever comes later, through June 30, 2013, in an amount not to exceed \$183,840.00. Funds for this purpose are anticipated to be available in State Fiscal Years 2012 and 2013 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts, if needed and justified, between State Fiscal Years:

05-95-40-404010-5850 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, TITLE XX GRANTS - SSBG

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130302	\$72,920.00	\$72,920.00	\$145,840.00

05-95-40-404010-5847 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, PROMOTING SAFE-STABLE FAMILIES

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130007	\$19,000.00	\$19,000.00	\$38,000.00
Total:			\$91,920.00	\$91,920.00	\$183,840.00

EXPLANATION

The above action is requested for the provision of comprehensive family support services to families within the Laconia region. Throughout the state, local agencies provide a range of support services to families and children that focus on strengthening, supporting and building on the strengths and skills of individuals. These services adhere to a nationally recognized set of values and principles centered on the empowerment of individuals, families and communities. Since State Fiscal Year 2002, the Division for Children, Youth and Families has formalized partnerships, through the contracting process, with one local agency per catchment area,

to provide services to families experiencing stressors that could cause them to become involved with the Division should they not obtain sufficient support to address their family's needs.

Comprehensive family support services seek to prevent family problems by strengthening parent-child relationships and by providing parents what they need to be good nurturers and providers. The program delivers a wide array of services through a single point of entry and ensures that families can access the services in their home communities, and from agencies and partners that know the individuals and characteristics of the communities that they serve. Services include: visiting family homes to establish a trusting, non-threatening relationship with which the family's needs can be identified; educating parents about their child(ren)'s medical and health needs; linking parents with early childhood care programs and teaching them about child development; supporting and educating parents through peer parent support groups; linking parents with literacy programs to either help parents learn to read or to teach them the importance of reading to their child(ren); family mentoring and advocacy to improve parenting skills, self-sufficiency, family functioning, and reduce the likelihood of abuse and neglect; life skills training to address the family's needs in the context of budgeting, nutrition counseling, financial management, job security, etc. (particularly helpful to young parents); and short-term child placement/respice care to help families ensure their child(ren) are cared for when the parent is temporarily unable to do so.

Through the provision of comprehensive family support services families receive needed services in the most non-intrusive, non-stigmatizing and most efficient manner possible. Over the last six years, the Division for Children, Youth and Families has identified several proven outcomes for participating families, such as not becoming involved in other systems of care, becoming actively engaged with their community, and learning how to pursue and achieve healthy goals. The success of these prevention oriented services helps the Division for Children, Youth and Families achieve its mission, in that children live in nurturing families, and play and go to schools in communities that are safe and cherish children.

Competitive Bidding Process

On February 28, 2011, the Division issued a Request for Proposal for this program. The Request for Proposals was published on the Department of Health and Human Services website and the Division also announced the release of the Request for Proposals via a letter sent to 30 area agencies. As part of the bidding process a bidders conference was held on March 14, 2011 and representatives from fourteen agencies attended. Two agencies presented letters of intent to bid for the Laconia region and subsequently submitted proposals: Lakes Region Community Services and Eckerd Youth Alternative.

The Request for Proposals included evaluation criteria and a description of factors that the Division for Children, Youth and Families would utilize in assessing the effectiveness of proposals received. The Division formed an Evaluation Committee comprised of Division staff from the Bureau of Family and Community-Based Services, as well as staff from the Child Well-Being Bureau and the Division's Financial Analyst and Contract Specialist. Committee members individually reviewed both proposals; out of 100 possible points Lakes Region Community Services's proposal scored an average of 87.6 points, while Eckerd Youth Alternatives' proposal scored an average 84.3 points. As a result, the Committee recommended awarding an agreement to Lakes Region Community Services to serve the Laconia region.

Lakes Region Community Services has provided comprehensive family support services in this region for the last six years and has received favorable satisfaction ratings. During State Fiscal Year 2010 the agency provided services to 251 children and adults in the Laconia region, including, but not limited to, Life Skills Training, Literacy Education & Support, Family Mentoring & Advocacy, and Parent Education & Support.

Agreement Terms

The agreement calls for the provision of these services for two years and reserved the Division's right to renew them for up to four additional years based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Council approval. Lakes Region Community Services has provided its services well and is favorably rated by the families it serves in the Laconia region. Supporting Federal Funds continue to be available for these services and Lakes Region Community Services further supports the program by contributing at least 25% of the cost of service provision through contractor match dollars, in effective eliminated the need for matching General Funds.

In the event that this contract is not approved by the Governor and Executive Council, children and families will go without preventative services resulting in the very real likelihood of increased maltreatment of children in this state.

Geographic area served: Laconia catchment area.

Source of funds: 100% Federal Funds from the US Department of Health and Human Services.

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

Respectfully submitted,

Maggie Bishop (AEB)

Maggie Bishop
Director

Approved by:

Nicholas A. Toumpas
Nicholas A. Toumpas
Commissioner



LAKES65

OP ID: BP

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

04/11/13

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

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

PRODUCER Melcher & Prescott-Laconia 426 Main Street Laconia, NH 03246	603-524-4535	CONTACT NAME:	
	603-528-4442	PHONE (A/C, No, Ext):	FAX (A/C, No):
		E-MAIL ADDRESS:	
INSURER(S) AFFORDING COVERAGE			NAIC #
INSURER A: Citizen Insurance Company			31534
INSURER B: Granite State Work Comp Manuf			
INSURER C:			
INSURER D:			
INSURER E:			
INSURER F:			

INSURED LR Community Services Council
Rebecca L. Bryant
67 Communications Drive
Laconia, NH 03246

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	ADOL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		ZBV8974270-02	12/01/12	12/01/13	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person) \$ 20,000
	<input checked="" type="checkbox"/> Professional Liab					PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					GENERAL AGGREGATE \$ 3,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					PRODUCTS - COMP/OP AGG \$ 3,000,000
						Emp Ben. \$ 1,000,000
A	AUTOMOBILE LIABILITY		ABV8928387	12/01/12	12/01/13	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO					BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident) \$
						\$
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR				EACH OCCURRENCE \$
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				AGGREGATE \$
	DED	RETENTION \$				\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		WC01121119	12/31/12	12/31/13	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/EMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N/A				E.L. EACH ACCIDENT \$ 1,000,000
						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
						E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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

CERTIFICATE HOLDER

CANCELLATION

STATE-3	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
State of New Hampshire DHHS Children Youth and Familiys 129 Pleasant Street Concord, NH 03301-3857	AUTHORIZED REPRESENTATIVE

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**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the *Comprehensive Family Support Service Contract***

This **1st** Amendment to the ***Comprehensive Family Support Services*** contract (hereinafter referred to as "Amendment 1") dated this **22nd** day of April, **2013**, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and ***Monadnock Family Services*** (hereinafter referred to as "the Contractor"), a ***non-profit corporation*** company with a place of business at ***64 Main Street, Keene, NH 03431***.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on **June 8, 2011 (Item# 112)**, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 and ***Exhibit C-1, section 1***, the State may, ***renew the contract for up to four additional years*** by written agreement of the parties;

WHEREAS ***the State and the Contractor have agreed that a one-year extension of the contract is agreeable to the parties;***

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

To amend as follows:

- Form P-37, Item 1.7, Completion Date shall be amended to read "June 30, 2014"
- Form P-37, Item 1.8, Price Limitation, shall be amended to read "\$273,260.00"
- Exhibit A, Scope of Services, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, Section 1, shall be amended to read "\$273,260.00"



New Hampshire DHHS

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

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

State of New Hampshire
Department of Health and Human Services

5/21/13
Date

Nicholas A. Toumpas
Nicholas A. Toumpas
Commissioner

Monadnock Family Services

4/24/13
Date

Philip Wyzik
Philip Wyzik
CEO

Acknowledgement:
State of NH, County of Cheshire on 4/24/13, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Gigi Batchelder
Name and Title of Notary or Justice of the Peace

GIGI A. BATCHELDER, Notary Public
My Commission Expires June 17, 2014

New Hampshire DHHS



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

OFFICE OF THE ATTORNEY GENERAL

3 May 2013
Date

[Signature]
Name: Kenneth P. Herick
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

CERTIFICATE OF VOTE
(Corporation without Seal)

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

- I am a duly elected Clerk of Monadnock Family Services
(Corporation Name)
- The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on 4/25/13:
(Date)

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

Comprehensive Family Support services.

RESOLVED: That the Chief Executive Officer
(Title of Contract Signatory)

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

- The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 25 day of April, 2013
(Date Contract Signed)

- Philip Wysik is the duly elected Chief Executive Officer
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.

Jane G. Larmon
(Signature of Clerk of the Corporation)

STATE OF NEW HAMPSHIRE

County of Cheshire

The forgoing instrument was acknowledged before me this 25 day of Apr, 202013

By Jane Larmon
(Name of Clerk of the Corporation)

Gigi A. Batchelder
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires:
GIGI A. BATCHELDER, Notary Public
My Commission Expires June 17, 2014

State of New Hampshire
Department of Health and Human Services

Division for Children, Youth and Families

EXHIBIT B-1, Comprehensive Family Support Services
PERSONNEL DATA - Monadnock Family Services
State Fiscal Year 2014

	Name	Title	Annual Salary	% of Time to Work on the Project	Project Amount Charged for SFY 2014 (7/1/13 - 6/30/14)
1	Annelies Spykman	Family Intervention Sp	\$ 27,500.00	100%	\$ 27,500.00
2	Judy Hughes	Family Intervention Sp	\$ 34,125.00	50%	\$ 17,062.50
3	Mary Frazier	Family Intervention Sp	\$ 27,000.00	50%	\$ 13,500.00
4	Danielle Hull	Admin Support	\$ 27,300.00	10%	\$ 2,730.00
5	Katherine Cook	Director of Child Services	\$ 79,000.00	5%	\$ 3,950.00
6			\$ -		\$ -
7			\$ -		\$ -
8					
9					
		Total:			\$ 64,742.50

New Hampshire Department of Health and Human Services

Bidder/Program Name: Monadnock Family Services - Family Time

Budget Request for: CFSS

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

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	64,742.50	-	64,742.50	\$ -	64,742.50	
2. Employee Benefits	20,905.00	-	15,277.50	\$ 5,627.50	20,905.00	
3. Consultants	-	-	-	\$ -	-	
4. Equipment:	-	-	-	\$ -	-	
Rental		323.00	-	\$ 323.00	323.00	by FTE
Repair and Maintenance		415.00	-	\$ 415.00	415.00	by FTE
Purchase/Depreciation		543.00	-	\$ 543.00	543.00	by FTE
5. Supplies:	-	-	-	\$ -	-	
Educational	-	-	-	\$ -	-	
Office	935.00	-	400.00	\$ 535.00	935.00	by FTE
6. Travel	8,406.00	-	6,000.00	\$ 2,406.00	8,406.00	
7. Occupancy		5,725.00	2,000.00	\$ 3,725.00	5,725.00	By Sq Ft
8. Current Expenses	-	-	-	\$ -	-	
Telephone	2,020.00	-	1,000.00	\$ 1,020.00	2,020.00	
Postage	242.00	-	-	\$ 242.00	242.00	
Subscriptions	-	-	-	\$ -	-	
Audit and Legal		528.00	-	\$ 528.00	528.00	by FTE
Insurance		1,247.00	-	\$ 1,247.00	1,247.00	by FTE
Board Expenses	-	-	-	\$ -	-	
9. Software		475.00	-	\$ 475.00	475.00	by FTE
10. Marketing/Communications	396.00	-	-	\$ 396.00	396.00	
11. Staff Education and Training	260.00	-	-	\$ 260.00	260.00	
12. Subcontracts/Agreements	-	-	-	\$ -	-	
13. Other (specific details mandatory):	-	9,645.00	-	\$ 9,645.00	9,645.00	9% exp
TOTAL	\$ 97,906.50	\$ 18,901.00	\$ 89,420.00	\$ 27,387.50	\$ 116,807.50	

Indirect As A Percent of Direct

0.193051534

Contractor Initials: AW

Date: 7-24-13

Financial Statements

MONADNOCK FAMILY SERVICES, INC.

FOR THE YEARS ENDED
JUNE 30, 2012 AND 2011
AND
INDEPENDENT AUDITORS' REPORT

*Leone,
McDonnell
& Roberts*
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

MONADNOCK FAMILY SERVICES, INC.

JUNE 30, 2012

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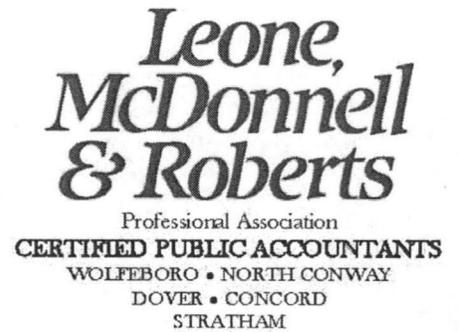
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To the Board of Directors of
Monadnock Family Services, Inc.
Keene, New Hampshire



INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of financial position of Monadnock Family Services, Inc. (a New Hampshire nonprofit organization) as of June 30, 2012, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2011 financial statements and, in our report dated September 26, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Monadnock Family Services, Inc. as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional revenues on page 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Leone, McDonnell & Roberts
Professional Association

October 18, 2012
Wolfboro, New Hampshire

MONADNOCK FAMILY SERVICES, INC.

**STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2012 WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>ASSETS</u>				
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2012 Total</u>	<u>2011 Total</u>
CURRENT ASSETS					
Cash and equivalents	\$ 32,176	\$ 76,453	\$ -	\$ 108,629	\$ 76,453
Accounts receivable:					
Client fees	501,171	-	-	501,171	419,379
Medicaid and Medicare	772,742	-	-	772,742	580,119
Insurance	225,196	-	-	225,196	173,191
Other	116,953	-	-	116,953	250,503
Allowance for doubtful accounts	(634,995)	-	-	(634,995)	(435,713)
Contributions receivable	-	-	-	-	6,250
Prepaid expenses	66,248	-	-	66,248	44,126
Other assets	124,046	-	-	124,046	-
Total current assets	<u>1,203,537</u>	<u>76,453</u>	<u>-</u>	<u>1,279,990</u>	<u>1,114,308</u>
PROPERTY					
Furniture, fixtures and equipment	503,086	-	-	503,086	471,036
Vehicles	125,803	-	-	125,803	125,803
Building and leasehold improvements	205,280	-	-	205,280	111,371
Total	834,169	-	-	834,169	708,210
Less accumulated depreciation	<u>559,507</u>	<u>-</u>	<u>-</u>	<u>559,507</u>	<u>509,533</u>
Property, net	<u>274,662</u>	<u>-</u>	<u>-</u>	<u>274,662</u>	<u>198,677</u>
OTHER ASSETS					
Due from affiliates	10,279	-	-	10,279	17,373
Interest in net assets of Foundation	855,600	-	81,214	936,814	1,781,894
Total other assets	<u>865,879</u>	<u>-</u>	<u>81,214</u>	<u>947,093</u>	<u>1,799,267</u>
Total assets	<u>\$ 2,344,078</u>	<u>\$ 76,453</u>	<u>\$ 81,214</u>	<u>\$ 2,501,745</u>	<u>\$ 3,112,252</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Demand notes payable	\$ 924,782	\$ -	\$ -	\$ 924,782	\$ 1,278,782
Current portion of capital lease obligations	44,149	-	-	44,149	32,930
Cash overdraft	-	-	-	-	28,438
Accounts payable	154,603	-	-	154,603	280,620
Accrued salaries, wages, and related expenses	257,102	-	-	257,102	251,344
Refundable advances	97,423	-	-	97,423	85,049
Other current liabilities	43,783	-	-	43,783	24,655
Total current liabilities	<u>1,521,842</u>	<u>-</u>	<u>-</u>	<u>1,521,842</u>	<u>1,981,818</u>
LONG TERM LIABILITIES					
Due to affiliate	22,283	-	-	22,283	92,749
Capital lease obligations, net of current portion as shown above	52,207	-	-	52,207	14,849
Total long term liabilities	<u>74,490</u>	<u>-</u>	<u>-</u>	<u>74,490</u>	<u>107,598</u>
Total liabilities	<u>1,596,332</u>	<u>-</u>	<u>-</u>	<u>1,596,332</u>	<u>2,089,416</u>
NET ASSETS					
Unrestricted	747,746	-	-	747,746	865,169
Temporarily restricted	-	76,453	-	76,453	76,453
Permanently restricted	-	-	81,214	81,214	81,214
Total net assets	<u>747,746</u>	<u>76,453</u>	<u>81,214</u>	<u>905,413</u>	<u>1,022,836</u>
Total liabilities and net assets	<u>\$ 2,344,078</u>	<u>\$ 76,453</u>	<u>\$ 81,214</u>	<u>\$ 2,501,745</u>	<u>\$ 3,112,252</u>

See Notes to Financial Statements

MONADNOCK FAMILY SERVICES, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012 WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2012 Total</u>	<u>2011 Total</u>
CHANGES IN NET ASSETS					
Public support and revenue					
Program service fees	\$ 7,592,423	\$ -	\$ -	\$ 7,592,423	\$ 7,040,184
Donations	838,447	-	-	838,447	199,530
Program sales	333,436	-	-	333,436	397,435
Forgiveness of debt	277,083	-	-	277,083	-
United Way	253,161	-	-	253,161	282,326
Other public support	225,338	-	-	225,338	310,543
Local/County government	184,650	-	-	184,650	212,292
Federal funding	173,184	-	-	173,184	273,152
State of New Hampshire	97,819	-	-	97,819	147,925
Rental income	17,524	-	-	17,524	21,003
Net (loss) gain on beneficial interest in Foundation	(845,080)	-	-	(845,080)	250,896
Other income	16,888	-	-	16,888	42,877
Total public support and revenue	<u>9,164,873</u>	<u>-</u>	<u>-</u>	<u>9,164,873</u>	<u>9,178,163</u>
Expenses					
Program services					
Maintenance	315,502	-	-	315,502	184,576
Children & Adolescents	2,306,571	-	-	2,306,571	2,125,269
Elderly Services	738,496	-	-	738,496	808,592
Emergency Services/Assessment	626,353	-	-	626,353	595,690
Vocational Services	106,741	-	-	106,741	107,888
Case Management	1,336,985	-	-	1,336,985	1,281,435
Non-Specialized Outpatient	1,272,277	-	-	1,272,277	1,571,772
Respite/Crisis	-	-	-	-	4,621
Community Residences	459,664	-	-	459,664	251,881
Supportive Living	30,254	-	-	30,254	191,973
Community Education & Training	396,305	-	-	396,305	526,989
Non-DMH/DS Funded	968,847	-	-	968,847	830,245
Supporting activities					
General management	724,301	-	-	724,301	1,125,611
Total expenses	<u>9,282,296</u>	<u>-</u>	<u>-</u>	<u>9,282,296</u>	<u>9,606,542</u>
CHANGES IN NET ASSETS	(117,423)	-	-	(117,423)	(428,379)
NET ASSETS - BEGINNING OF YEAR	<u>865,169</u>	<u>76,453</u>	<u>81,214</u>	<u>1,022,836</u>	<u>1,451,215</u>
NET ASSETS - END OF YEAR	<u>\$ 747,746</u>	<u>\$ 76,453</u>	<u>\$ 81,214</u>	<u>\$ 905,413</u>	<u>\$ 1,022,836</u>

See Notes to Financial Statements

MONADNOCK FAMILY SERVICES, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012 WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2012 Total</u>	<u>2011 Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	\$ (117,423)	\$ -	\$ -	\$ (117,423)	\$ (428,379)
Adjustments to reconcile change in net assets to net cash from operating activities:					
Depreciation and amortization	49,973	-	-	49,973	42,741
Change in allowance for doubtful accounts	199,282	-	-	199,282	(171,996)
Forgiveness of debt	(277,083)	-	-	(277,083)	25,386
Loss (gain) on beneficial interest in Foundation	845,080	-	-	845,080	(250,896)
(Increase) decrease in assets:					
Accounts receivable	(192,870)	-	-	(192,870)	438,750
Contributions receivable	6,250	-	-	6,250	23,675
Prepaid expenses	(22,122)	-	-	(22,122)	1,979
Other assets	(124,046)	-	-	(124,046)	-
Note receivable	(1,132)	-	-	(1,132)	(15,000)
Increase (decrease) in liabilities:					
Cash overdraft	(28,438)	-	-	(28,438)	(4,086)
Accounts payable	(126,017)	-	-	(126,017)	102,493
Accrued salaries, wages, and related expenses	7,841	-	-	7,841	(3,812)
Refundable advances	12,374	-	-	12,374	(1,263)
Other current liabilities	19,128	-	-	19,128	(26,027)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>250,797</u>	<u>-</u>	<u>-</u>	<u>250,797</u>	<u>(266,435)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Decrease in due to / from affiliate	(62,240)	-	-	(62,240)	(144,601)
Additions to property and equipment	(23,834)	-	-	(23,834)	(106,162)
NET CASH USED IN INVESTING ACTIVITIES	<u>(86,074)</u>	<u>-</u>	<u>-</u>	<u>(86,074)</u>	<u>(250,763)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Net repayment of capital lease obligations	(53,547)	-	-	(53,547)	(3,520)
Net (repayment) borrowings on demand notes payable	(79,000)	-	-	(79,000)	471,000
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	<u>(132,547)</u>	<u>-</u>	<u>-</u>	<u>(132,547)</u>	<u>467,480</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	32,176	-	-	32,176	(49,718)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	<u>-</u>	<u>76,453</u>	<u>-</u>	<u>76,453</u>	<u>126,171</u>
CASH AND EQUIVALENTS - END OF YEAR	<u>\$ 32,176</u>	<u>\$ 76,453</u>	<u>\$ -</u>	<u>\$ 108,629</u>	<u>\$ 76,453</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:					
Cash paid for interest				<u>\$ 47,125</u>	<u>\$ 45,595</u>
NON CASH OPERATING AND FINANCING ACTIVITIES					
Acquisition of equipment financed with capital lease				<u>\$ 102,124</u>	<u>\$ 25,500</u>

See Notes to Financial Statements

MONADNOCK FAMILY SERVICES, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012**

WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION

	Maintenance	Children & Adolescents	Elderly Services	Emergency Services/Assessment	Vocational Services	Case Management	Non-Specialized Outpatient	Community Residence	Supportive Living	Community Education & Training	General Management	Total DMHDS Funded	Total Non-DMHDS Funded	2012 Totals	2011 Totals
PERSONNEL COSTS	\$ 184,583	\$ 1,337,880	\$ 411,468	\$ 403,506	\$ 59,366	\$ 766,779	\$ 694,287	\$ 178,604	\$ 844	\$ 186,810	\$ 375,102	\$ 4,597,229	\$ 554,797	\$ 5,152,026	\$ 5,162,924
Salaries and wages	42,656	347,251	113,581	58,188	20,180	217,704	178,595	47,059	510	69,388	71,688	1,166,890	119,037	1,285,927	1,175,289
Employee benefits	12,587	113,711	33,555	33,261	4,921	64,528	55,913	15,012	69	17,372	29,579	390,488	43,568	424,056	427,652
PROFESSIONAL FEES	12,133	89,628	6,629	56,736	225	3,745	146,559	164,663	-	608	68,500	549,424	12,776	562,200	730,947
Substitute staff	1,231	9,830	3,269	1,667	581	6,257	4,955	1,358	13	1,930	32,907	32,907	3,163	36,070	35,619
Audit fees	160	1,252	415	224	71	795	622	172	2	270	223	4,206	413	4,619	25,787
Legal fees	3,322	16,340	11,680	750	-	1,380	(2,475)	-	-	28,711	15,775	75,483	24,862	100,345	205,264
STAFF DEVELOPMENT AND TRAINING	-	1	123	-	-	-	54	190	-	-	230	598	1,422	2,020	2,197
Journals and publications	-	1,969	203	-	-	400	231	-	-	-	-	2,833	657	3,490	2,565
Conferences and conventions	160	3,252	153	(76)	569	3,660	876	-	-	7	359	8,960	780	9,740	16,426
Other staff development	37,890	115,354	34,466	34,350	6,382	92,381	79,506	6,021	20,483	17,427	40,605	484,865	67,650	552,515	561,318
OCCUPANCY COSTS	2	16	5	3	1	10	603	2	-	-	-	814	-	814	589
Rent	651	4,214	2,169	825	256	3,046	2,227	1,216	5	2,062	1,648	18,319	2,142	20,461	795
Heating costs	3,429	9,541	7,011	4,191	1,104	12,167	15,149	413	-	6,211	21,016	80,232	12,383	92,615	86,154
Other utilities	1,277	6,523	2,455	1,930	445	5,311	6,279	685	3	3,889	4,827	33,624	4,373	37,997	46,224
Repairs and maintenance	412	929	3,057	479	148	1,773	1,160	3,450	127	799	1,294	13,628	1,273	14,901	25,104
Other occupancy costs	192	15,716	15,804	127	516	9,487	672	28,499	7,235	1,202	1,799	5,997	414	6,411	3,048
CONSUMABLE SUPPLIES	1,857	792	708	-	-	45	1,096	34	-	-	-	81,249	694	81,943	98,873
Medical supplies	1,036	1,532	407	126	43	880	1,267	102	2	1,192	940	7,527	4,532	12,059	4,898
Other consumable supplies	718	1,186	4,999	1,075	305	3,769	1,758	34	-	6,583	1,106	21,533	13,888	21,415	26,435
DEPRECIATION	558	3,341	1,675	767	264	3,073	2,670	541	-	1,873	3,307	18,069	2,742	20,811	42,741
EQUIPMENT RENTAL	144	1,236	1,044	200	63	738	856	435	2	230	725	5,673	13,790	19,403	21,857
EQUIPMENT MAINTENANCE	2,162	6,777	2,795	1,334	169	7,963	12,785	2,031	4	12,120	10,842	58,982	3,758	62,740	21,758
ADVERTISING	42	68	23	58	20	182	542	7	-	1,561	35	2,538	4,376	6,914	80,636
PRINTING	2,779	31,912	14,025	8,749	3,166	24,455	21,254	4,677	901	12,281	9,518	133,717	12,517	146,234	139,487
TELEPHONE	149	622	213	200	139	812	1,505	54	-	546	1,951	6,191	8,963	15,154	19,396
POSTAGE	1,040	148,344	11,988	13,516	6,320	55,188	14,090	920	22	3,027	3,704	258,159	8,784	266,943	243,814
TRANSPORTATION	4	192	42,034	40	-	13,281	51	264	-	1,534	-	57,400	-	57,400	41,032
Client services	227	10,090	741	40	8	22,192	147	737	-	5,781	27	39,990	229	40,219	47,367
ASSISTANCE TO INDIVIDUALS	2,385	11,085	3,489	1,371	476	5,115	12,600	1,110	12	1,629	1,423	40,705	2,613	43,318	64,308
INSURANCE	1,603	12,818	4,256	2,181	758	8,149	6,451	1,768	18	986	-	5,496	4,571	5,496	5,454
Malpractice and bonding	105	1,236	1,010	416	50	535	1,252	116	2	478	2,268	42,842	4,571	47,413	47,225
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,528
Comprehensive property and liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,678
MEMBERSHIP DUES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,491
INTEREST EXPENSE	28	1,502	280	119	195	1,058	208	85	-	1,268	17,204	21,947	7,544	29,491	80,025
OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUNCTIONAL EXPENSES	\$ 315,502	\$ 2,306,571	\$ 738,496	\$ 626,353	\$ 106,741	\$ 1,336,985	\$ 1,272,277	\$ 459,664	\$ 30,254	\$ 386,305	\$ 724,301	\$ 8,313,449	\$ 968,647	\$ 9,282,296	\$ 9,606,542

See Notes to Financial Statements

MONADNOCK FAMILY SERVICES, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

1. ORGANIZATION OF THE CORPORATION

Monadnock Family Services, Inc. (the Organization) is a nonprofit corporation, organized under New Hampshire law to provide services in the areas of mental health, and related non-mental health programs.

The Organization operates in the Monadnock region of the State of New Hampshire.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Monadnock Family Services, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The classes of net assets are determined by the presence or absence of donor restrictions.

Unrestricted: Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted: Net assets whose use is limited by donor imposed stipulations that will either expire with the passage of time or be fulfilled or removed by actions of the Organization.

Permanently Restricted: Reflects the historical cost of gifts (and in certain circumstances, the earnings from those gifts), subject to donor – imposed stipulations, which require the corpus to be invested in perpetuity to product income for general or specific purposes.

As of June 30, 2012 and 2011, the Organization had unrestricted, temporarily restricted and permanently restricted net assets.

Accounting Estimates

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

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support, depending on the nature of the restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.

Cash Equivalents

The Organization considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents.

Property and Depreciation

Property and equipment are recorded at cost or, if donated, at estimated fair value at the date of donation. Material assets with a useful life in excess of one year are capitalized. Depreciation is provided for using the straight-line method in amounts designed to amortize the cost of the assets over their estimated useful lives as follows:

Furniture, fixtures and equipment	3 - 10 Years
Vehicles	5 - 10 Years
Building and leasehold improvements	5 - 40 Years

Expenditures for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related accumulated depreciation, and any gain or loss is recognized.

Depreciation expense was \$49,973 and \$42,741 for the years ended June 30, 2012 and 2011, respectively.

Accrued Earned Time

The Organization has accrued a liability for future compensated leave time that its employees have earned and which is vested with the employee.

Refundable Advances

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services are provided or expenditures are incurred.

Revenue

Net patient revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods, as final amounts are determined.

A significant portion of patient revenue is derived from services to patients insured by third-party payors. The Organization receives reimbursement from Medicare, Medicaid and private third party payors at defined rates for services rendered to patients covered by these programs. The difference between established billing rates and the actual rate of reimbursement is recorded as an allowance when received. A provision for estimated contractual allowances is provided on outstanding patient receivables at the statement of financial position date.

Advertising

The Organization expenses advertising costs as incurred.

Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, costs have been allocated among the programs and supporting activities benefited.

Fair Value of Financial Instruments

FASB ASC Topic No. 820-10, *Financial Instruments*, provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with ASC 820-10, the Organization may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, Topic 820-10 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy under ASC Topic 820-10 are described as follows:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The carrying amount of cash, prepaid expense, other assets and current liabilities, approximates fair value because of the short maturity of those instruments.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization 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).

Management has evaluated the Organization's tax positions and concluded that the Organization has maintained its tax-exempt status and has taken no uncertain tax positions that would require adjustment to the financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the United States Federal or State tax authorities prior to 2008.

3. INTEREST IN NET ASSETS OF FOUNDATION

The Organization is the sole beneficiary of assets held by Monadnock Regional Foundation for Family Services, Inc. The Organization and the Foundation are considered financially interrelated Organizations under FASB ASC Topic No. 958-605, *Not-for-Profit Entities - Transfers of Assets to a Nonprofit Organization or Charitable Trust That Raises or Holds Contributions for Others*. The fair value of the Foundation's assets, which approximates the present value of future benefits expected to be received, was \$953,411 and \$1,802,720 at June 30, 2012 and 2011, respectively. The cost basis of the Foundation's assets was \$851,430 and \$1,506,950 at June 30, 2012 and 2011, respectively.

4. DEMAND NOTES PAYABLE

The Organization maintains the following demand notes payable:

Demand note payable with a bank, subject to bank renewal on June 30, 2013. The maximum amount available at June 30, 2012 and 2011 was \$750,000. At June 30, 2012 and 2011 the interest rate was stated at 4%. The note is renewable annually, collateralized by all of the business assets of the Organization and is guaranteed by a related nonprofit organization (see Note 11). At both June 30, 2012 and 2011 \$749,782 was outstanding under the demand note payable.

Demand note payable with a bank, subject to bank renewal on June 30, 2013. The maximum amount available at June 30, 2012 and 2011 was \$250,000. At June 30, 2012 and 2011 the interest rate was stated at 4%. The note is renewable annually, collateralized by all the business assets of the Organization and guaranteed by a related nonprofit organization (see Note 11). At June 30, 2012 and 2011, \$175,000 and \$250,000, respectively, was outstanding under the demand note payable.

Demand note payable agreement with Monadnock Regional Foundation for Family Services, Inc. (a related party, see Note 11). The maximum amount available was \$200,000 and the interest rate was stated at 4%, payable quarterly commencing April 30, 2009. The balance of the note was forgiven during August 2011. At June 30, 2011 \$200,000 was outstanding under the demand note payable.

During March 2011, the Organization entered into a second demand note payable agreement with Monadnock Regional Foundation for Family Services, Inc. (a related party, see Note 11). The maximum amount available was \$75,000 and the interest rate was stated at 4%. The balance of the note was forgiven during August 2011. At June 30, 2011 \$75,000 was outstanding under the demand not payable.

As mentioned above, the two demand notes (\$275,000) and all accrued interest (\$2,083) was forgiven during the year ended June 30, 2012 for a total debt forgiveness of \$277,083.

For the years ended June 30, 2012 and 2011, interest expense under the demand notes payable was \$49,208 and \$47,678, respectively.

5. RESTRICTIONS ON NET ASSETS

The permanently restricted net assets consist of a beneficial interest in a Foundation.

The temporarily restricted net assets consist of a contribution received by the Organization that has not been spent for the specified purpose of the donor as of June 30, 2012.

6. RETIREMENT PLAN

The Organization maintains a retirement plan for all eligible employees. Under the plan employees can make voluntary contributions to the plan of up to approximately 15% of gross wages. All full-time employees are eligible to participate after one year of employment. The Organization's discretionary contributions to the plan for the years ended June 30, 2012 and 2011 was \$37,132 and \$36,085, respectively.

7. CONCENTRATION OF RISK

For the years ended June 30, 2012 and 2011 approximately 74% and 70% respectively, of the total revenue was derived from Medicaid. The future existence of the Organization, in its current form, is dependent upon continued support from Medicaid.

8. OPERATING LEASE OBLIGATIONS

The Organization has entered into various operating lease agreements to rent certain facilities and office equipment. The terms of these leases range from one to ten years. Rent expense under these agreements aggregated \$573,326 and \$603,175 for the years ended June 30, 2012 and 2011, respectively.

The approximate future minimum lease payments on the above leases are as follows:

Year Ending	Amount
<u>June 30</u>	
2013	\$ 49,496
2014	37,712
2015	<u>1,896</u>
Total	<u>\$ 89,104</u>

See to Note 11 for information regarding a lease agreement with a related party.

9. **CAPITAL LEASE OBLIGATIONS**

During July 2009 the Organization entered into a capital lease agreement for computer equipment. The economic substance of the lease is that the Organization is financing the acquisition of the equipment through the lease. Monthly payments for principal and interest are \$2,070 with interest at .824%. The thirty-six month lease agreement concludes during July 2012.

During November 2010 the Organization entered into a capital lease agreement for computer software. The economic substance of the lease is that the organization is financing the acquisition of the software through the lease. Monthly payments for principal and interest are \$797 with interest at 7.86%. The thirty six month lease agreement concludes during November 2013.

During December 2011 the Organization entered into a capital lease agreement for computer equipment. The economic substance of the lease is that the organization is financing the acquisition of the computer equipment through the lease. Monthly payments for principal and interest are \$918 with interest at approximately 1%. The thirty six month lease agreement concludes during December 2014.

During September 2011 the Organization entered into a capital lease agreement for additions to the computer software. The economic substance of the lease is that the organization is financing the acquisition of the software through the lease. Monthly payments for principal and interest are \$2,215 with interest at 6.23%. The thirty six month lease agreement concludes during September 2014.

For the years ended June 30, 2012 and 2011 the Organization had gross capitalized costs of capital leases of \$201,216 and \$99,092, respectively, and accumulated depreciation of \$45,373 and \$28,210, respectively.

The remaining commitment under the lease agreements are as follows:

Year Ending	Amount
<u>June 30</u>	
2013	\$ 50,255
2014	41,584
2015	<u>13,073</u>
Total minimum lease payments	104,912
Less: amount representing interest	<u>(8,556)</u>
Present value of net minimum lease payments	96,356
Less: amount due within one year	<u>(44,149)</u>
Long term portion of net minimum lease payments	<u>\$ 52,207</u>

10. **CONTRIBUTIONS RECEIVABLE**

As of June 30, 2011 the Organization had \$6,250 in contributions receivable from various donors. These amounts were collected in full during the year ended June 30, 2012. No allowance for uncollectible contributions was established by management due to management's belief that all contributions are fully collectible.

11. **RELATED PARTY TRANSACTIONS**

Monadnock Family Services, Inc. is related to the following nonprofit corporations as a result of their articles of incorporation and common board membership.

Related Party

Monadnock Community Service Center, Inc.

Monadnock Regional Foundation for Family Services, Inc.

Function

Provides real estate services and property management assistance.

Endowment for the benefit of Monadnock Family Services, Inc.

Monadnock Family Services, Inc. has transactions with the above related parties during its normal course of operations. The significant related party transactions are as follows:

Due from Affiliate

At June 30, 2012 and 2011, the Organization had a receivable due from Monadnock Regional Foundation for Family Services, Inc. in the amount of \$10,279 and \$17,373, respectively. There are no specific terms of repayment and no stated interest.

Due to Affiliate

At June 30, 2012 and 2011, the Organization had a payable due to Monadnock Community Service Center, Inc. in the amount of \$22,283 and \$92,749, respectively. There are no specific terms of repayment and no stated interest.

Contribution

During the year ended June 30, 2012, the Organization received a contribution from Monadnock Regional Foundation for Family Services, Inc. in the amount of \$500,000.

Rental Expense

The Organization leases office space from Monadnock Community Service Center, Inc. under the terms of tenant at will agreements. Monadnock Family Services, Inc. has the perpetual right to extend the leases. Total rental expense paid under the terms of the leases was \$508,071 and \$523,549 for the years ended June 30, 2012 and 2011, respectively.

Management Fee

The Organization charges Monadnock Community Service Center, Inc. for administrative expenses incurred on its behalf. Management fee revenue aggregated \$54,200 and \$56,167 for the years ended June 30, 2012 and 2011, respectively.

Forgiveness of Payable to Affiliate

During the years ended June 30, 2012 and 2011, Monadnock Community Service Center, Inc. forgave \$0 and \$25,386 of amounts due from Monadnock Family Services, Inc.

Demand Note Payable

The Organization maintained two demand note payable agreements with Monadnock Regional Foundation for Family Services, Inc. At June 30, 2011 \$275,000 was outstanding under the demand notes payable. The balance of the notes and accrued interest were forgiven during August 2011. Interest income on the notes aggregated \$0 and \$8,750 for the years ended June 30, 2012 and 2011, respectively.

Guarantee

Monadnock Community Service Center, Inc. is a guarantor of one of the Organization's lines of credit (see Note 4). Monadnock Regional Foundation for Family Services, Inc. is a guarantor of one of the Organization's lines of credit (see Note 4).

Co-obligation

The Organization is co-obligated on certain mortgage notes of Monadnock Community Service Center, Inc.

12. **CONTINGENCIES**

Grant Compliance

The Organization receives funds under various state grants and from Federal sources. Under the terms of these agreements, the Organization is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the Organization might be required to repay the funds. No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed by government audits as of June 30, 2012.

13. **SUBSEQUENT EVENTS**

Events occurring after the statement of financial position date are evaluated by management to determine whether such events should be recognized or disclosed in the financial statements. Management has evaluated subsequent events through October 18, 2012, the date when the financial statements were available to be issued.

MONADNOCK FAMILY SERVICES, INC.

SCHEDULE OF FUNCTIONAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2012
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION

	Maintenance	Children & Adolescents	Elderly Services	Emergency Services/ Assessment	Vocational Services	Case Management	Non-Specialized Outpatient	Community Residence	Supportive Living	Community Education & Training	General Management	DMHDS Funded	Total DMHDS Funded	2012 Totals	2011 Totals
Program fees:															
Net client fees	\$ 15,170	\$ 65,312	\$ 101,711.00	\$ 198	\$ (19,385)	\$ (10,841)	\$ 26,577	\$ 22,173	\$ -	\$ 2,202	\$ -	\$ 203,117	\$ -	\$ 203,117	\$ 116,122
Medicaid	197,879	3,284,861	521,754	128,914	88,575	1,913,192	157,949	514,382	-	16,827	-	6,824,333	-	6,824,333	6,306,404
Medicare	60,573	(80)	2,435	7,385	1,080	913	43,399	(3,480)	-	42	-	112,267	-	112,267	108,692
Other insurance	278,478	142,684	34,173	40,695	32,329	(200,806)	122,449	1,560	-	1,144	-	452,706	-	452,706	508,966
Program Sales:															
Service and Production	-	180	2,788	187,580	-	8,874	-	-	-	43,756	54,200	297,378	36,058	333,436	397,435
Public Support:															
United Way	-	-	37,322	21,250	-	-	90,878	-	-	68,109	-	217,559	35,602	253,161	282,326
Local/County Government	5,176	21,754	-	28,124	-	-	127,596	-	-	-	2,000	184,650	-	184,650	212,292
Donations	-	11,650	21,379	-	-	94	1,409	90	-	5,242	786,332	826,196	12,251	838,447	199,530
Forgiveness of debt	-	-	-	-	-	-	-	-	-	-	-	-	277,083	277,083	-
Other public support	-	114,107	5,186	-	-	-	5,186	-	-	46,600	51,892	222,971	2,367	225,338	310,543
State of New Hampshire - DMHDS	-	-	-	-	-	-	97,819	-	-	-	-	97,819	-	97,819	147,925
Federal Funding:															
Other Federal Grants	-	-	14,703	-	-	-	-	-	-	78,630	-	93,233	48,701	141,934	235,648
PATH	-	-	-	31,250	-	-	-	-	-	-	-	31,250	-	31,250	37,504
Rental Income	-	-	18	-	-	-	-	-	17,506	-	-	17,524	-	17,524	21,003
Net (loss) gain on beneficial interest in Foundation	-	-	-	-	-	-	-	-	-	-	(845,080)	(845,080)	-	(845,080)	250,896
Other	-	227	884	-	-	1,613	666	8	670	85	12,735	16,888	-	16,888	42,877
TOTAL FUNCTIONAL REVENUES	\$ 557,276	\$ 3,640,695	\$ 742,353.00	\$ 445,395	\$ 102,599	\$ 1,713,039	\$ 673,928	\$ 534,733	\$ 18,176	\$ 262,537	\$ 62,079	\$ 8,752,811	\$ 412,062	\$ 9,164,873	\$ 9,178,163



WELL-BEING

*Individual
Family/Organization
Community*

Our Mission

Our mission is to be a source of health and hope for people and the communities in which they live. We foster mental and emotional wellness for individuals of all ages. We create services that heal, education that transforms, and advocacy that brings a just society.

Our Vision

MFS strives for respectful community response to the needs of citizens with mental illness and other behavioral disorders. Individuals and families will have access to support services and opportunities necessary to pursue a life course of their choosing.

Our Values

Respect: courteous regard toward all

Excellence: exceed expectations in all areas of service

Access: timely and affordable care

Innovation: pursuit of better care through creativity

Inclusion: full integration into community life

Learning: empowerment through knowledge

Collaboration: achieving goals through alliances

Independence: freedom to achieve self-determination



Monadnock Family Services

Board of Directors

2013 / 2014

Updated March 21, 2013

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Robert Rooney

22 Peg Shop Road

Keene, NH 03431

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(Home) pegshoprooney@aol.com

VICE CHAIR / ASST SECRETARY

Nancy Vincent

Executive Director

Keene Public Library

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(Business) 352-0157

(Business) nvincent@ci.keene.nh.us

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Sr. VP/CFO, Cheshire Medical Center

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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 MONADNOCK FAMILY SERVICES is a New Hampshire nonprofit corporation formed March 5, 1924. 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 11th day of April A.D. 2013

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

William M. Gardner
Secretary of State



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

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

Nicholas A. Toumpas
 Commissioner

Maggie Bishop
 Director

May 11, 2011

His Excellency, Governor John H. Lynch
 and the Honorable Executive Council
 State House
 Concord, New Hampshire 03301

G&C Approved

Date 6/8/11
 Item # 112

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to enter into an agreement with Monadnock Family Services, NH (Vendor #177510 B001), for the provision of comprehensive family support services in the Keene region, effective July 1, 2011 or date of Governor and Executive Council approval, whichever comes later, through June 30, 2013, in an amount not to exceed \$183,840.00. Funds for this purpose are anticipated to be available in State Fiscal Years 2012 and 2013 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts, if needed and justified, between State Fiscal Years:

05-95-40-404010-5850 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, TITLE XX GRANTS - SSBG

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130302	\$72,920.00	\$72,920.00	\$145,840.00

05-95-40-404010-5847 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, PROMOTING SAFE-STABLE FAMILIES

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130007	\$19,000.00	\$19,000.00	\$38,000.00
Total:			\$91,920.00	\$91,920.00	\$183,840.00

EXPLANATION

The above action is requested for the provision of comprehensive family support services to families within the Keene region. Throughout the state, local agencies provide a range of support services to families and children that focus on strengthening, supporting and building on the strengths and skills of individuals. These services adhere to a nationally recognized set of values and principles centered on the empowerment of individuals, families and communities. Since State Fiscal Year 2002, the Division for Children, Youth and Families has formalized partnerships, through the contracting process, with one local agency per catchment area,

to provide services to families experiencing stressors that could cause them to become involved with the Division should they not obtain sufficient support to address their family's needs.

Comprehensive family support services seek to prevent family problems by strengthening parent-child relationships and by providing parents what they need to be good nurturers and providers. The program delivers a wide array of services through a single point of entry and ensures that families can access the services in their home communities, and from agencies and partners that know the individuals and characteristics of the communities that they serve. Services include: visiting family homes to establish a trusting, non-threatening relationship with which the family's needs can be identified; educating parents about their child(ren)'s medical and health needs; linking parents with early childhood care programs and teaching them about child development; supporting and educating parents through peer parent support groups; linking parents with literacy programs to either help parents learn to read or to teach them the importance of reading to their child(ren); family mentoring and advocacy to improve parenting skills, self-sufficiency, family functioning, and reduce the likelihood of abuse and neglect; life skills training to address the family's needs in the context of budgeting, nutrition counseling, financial management, job security, etc. (particularly helpful to young parents); and short-term child placement/respite care to help families ensure their child(ren) are cared for when the parent is temporarily unable to do so.

Through the provision of comprehensive family support services families receive needed services in the most non-intrusive, non-stigmatizing and most efficient manner possible. Over the last six years, the Division for Children, Youth and Families has identified several proven outcomes for participating families, such as not becoming involved in other systems of care, becoming actively engaged with their community, and learning how to pursue and achieve healthy goals. The success of these prevention oriented services helps the Division for Children, Youth and Families achieve its mission, in that children live in nurturing families, and play and go to schools in communities that are safe and cherish children.

Competitive Bidding Process

On February 28, 2011, the Division issued a Request for Proposal for this program. The Request for Proposals was published on the Department of Health and Human Services website and the Division also announced the release of the Request for Proposals via a letter sent to 30 area agencies. As part of the bidding process a bidders conference was held on March 14, 2011 and representatives from fourteen agencies attended. Monadnock Family Services was the only agency to submit a proposal for the Keene region.

The Request for Proposals included evaluation criteria and a description of factors that the Division for Children, Youth and Families would utilize in assessing the effectiveness of proposals received. The Division formed an Evaluation Committee comprised of Division staff from the Bureau of Family and Community-Based Services, as well as staff from the Child Well-Being Bureau and the Division's Financial Analyst and Contract Specialist. Committee members individually reviewed Monadnock Family Services's proposal; out of 100 possible points the agency's proposal scored an average of 75.8 points. As a result, the Committee recommended awarding an agreement to Monadnock Family Services to serve the Keene region.

Monadnock Family Services has provided comprehensive family support services in this region for the last six years and have received favorable satisfaction ratings. During State Fiscal Year 2010 the agency provided services to 286 children and adults in the Keene region, including, but not limited to, Life Skills Training, Literacy Education & Support, Family Mentoring & Advocacy, and Parent Education & Support.

May 11, 2011

Page 3

Agreement Terms

The agreement calls for the provision of these services for two years and reserved the Division's right to renew them for up to four additional years based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Council approval. Monadnock Family Services has provided its services well and is favorably rated by the families it serves in the Keene region. Supporting Federal Funds continue to be available for these services and Monadnock Family Services further supports the program by contributing at least 25% of the cost of service provision through contractor match dollars, in effective eliminated the need for matching General Funds.

In the event that this contract is not approved by the Governor and Executive Council, children and families will go without preventative services resulting in the very real likelihood of increased maltreatment of children in this state.

Geographic area served: Keene catchment area.

Source of funds: 100% Federal Funds from the US Department of Health and Human Services.

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

Respectfully submitted,

Maggie Bishop
(REB)

Maggie Bishop
Director

Approved by:

Nicholas A. Toumpas
Nicholas A. Toumpas
Commissioner



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
1/24/2013

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).

PRODUCER Masiello Insurance Agency 69-A Island Street, Suite 1 Keene NH 03431	CONTACT NAME: Barbara Patnode, CPCU, Sr VP PHONE (A/C, No, Ext): (603) 283-1841 FAX (A/C, No): (603) 352-8367 E-MAIL ADDRESS: barbarap@masiello.com
	INSURER(S) AFFORDING COVERAGE NAIC #
	INSURER A: American States Ins Co - NIF 0207
	INSURER B: Peerless Insurance Company 24198
	INSURER C: General Ins Co of America - NIF
	INSURER D:
	INSURER E:
	INSURER F:

COVERAGES CERTIFICATE NUMBER: NIF 13-14 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
C	GENERAL LIABILITY						EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	01CE919572-0	1/23/2013	1/23/2014	MED EXP (Any one person) \$ 10,000
	<input checked="" type="checkbox"/> AI per written contract						PERSONAL & ADV INJURY \$ 1,000,000
	<input checked="" type="checkbox"/> Employees/Volunteers AI						GENERAL AGGREGATE \$ 3,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG \$ 1,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC						\$
B	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO			BA9097814	7/19/2012	7/19/2013	BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
							Uninsured Motorists - BI \$ 1,000,000
A	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR						EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$ 1,000,000
	DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			01SU41753820	1/23/2013	1/23/2014	\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A	WC9014927	7/19/2012	7/19/2013	E.L. EACH ACCIDENT \$ 500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 500,000
							E.L. DISEASE - POLICY LIMIT \$ 500,000
C	Professional Liability			HLP7767493L	1/23/2013	1/23/2014	Each Occurrence 1,000,000
	Occurrence Form						Aggregate limit 3,000,000

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

All licensed staff, clinicians, except for doctors/psychiatrists are covered under the Monadnock Family Services policies while employed at Monadnock Family Service. This Professional Liability provides Contingent Coverage for Monadnock Family Services for "actions of the doctor/psychiatrist" named in the suit. Primary coverage for the doctor/psychiatrist is not provided however is verified to be elsewhere.

CERTIFICATE HOLDER

Department of Health & Human Services
129 Pleasant Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

B Patnode, VP, CPCU/B



State of New Hampshire
Department of Health and Human Services
Amendment #1 to the *Comprehensive Family Support Service Contract*

This **1st** Amendment to the ***Comprehensive Family Support Services*** contract (hereinafter referred to as "Amendment 1") dated this **22nd** day of April, **2013**, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and ***The Upper Room*** (hereinafter referred to as "the Contractor"), a ***non-profit corporation*** company with a place of business at ***36 Tsienneto Road, Derry, NH 03038***.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on **June 8, 2011 (Item# 113)**, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 and ***Exhibit C-1, section 1***, the State may, ***renew the contract for up to four additional years*** by written agreement of the parties;

WHEREAS ***the State and the Contractor have agreed that a one-year extension of the contract is agreeable to the parties;***

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

To amend as follows:

- Form P-37, Item 1.7, Completion Date shall be amended to read "June 30, 2014"
- Form P-37, Item 1.8, Price Limitation, shall be amended to read "\$273,260.00"
- Exhibit A, Scope of Services, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, shall be amended to read "July 1, 2011 – June 30, 2014"
- Exhibit B, Method, Schedule and Conditions Precedent to Payment, Section 1, shall be amended to read "\$273,260.00"



New Hampshire DHHS

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

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

State of New Hampshire
Department of Health and Human Services

Nicholas A. Toumpas
Nicholas A. Toumpas
Commissioner

Date

The Upper Room

Kimberly Bavaro
Kimberly Bavaro
Executive Director

4-24-13
Date

Acknowledgement:

State of NH, County of Rockingham on 4/24/2013, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Diane Casale
Name and Title of Notary or Justice of the Peace



New Hampshire DHHS



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

OFFICE OF THE ATTORNEY GENERAL

3 May 2013
Date

[Signature]
Name: Jeanne P. Herrick
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

CERTIFICATE OF VOTE

(Corporation without Seal)

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

1. I am a duly elected Treasurer of The Upper Room, A Family Resource Center.
(Corporation Name)
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on 12/10/2010 :
(Date)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, Division of Community Based Services, or the provision of comprehensive family support services.

RESOLVED: That the Executive Director
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 24th day of April, 2013.
(Date Contract Signed)

4. Kimberly L. Bavaro is the duly elected Executive Director of the corporation
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.

Marcia H Briggs

(Signature of Clerk of the Corporation)

STATE OF NEW HAMPSHIRE

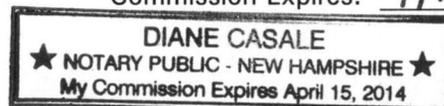
County of Rockingham

The forgoing instrument was acknowledged before me this 24 day of April, 2013.

By Marcia Briggs.
(Name of Clerk of the Corporation)

Diane Casale
(Notary Public/Justice of the Peace)

Commission Expires: 4/15/2014



New Hampshire Department of Health and Human Services

Bidder/Program Name: The Upper Room

Budget Request for: CFSS

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

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$73,620	\$	\$73,620	\$34,800	\$108,420	
2. Employee Benefits	\$7,060	\$	\$7,060	\$3,120	\$10,180	
3. Consultants		\$				
4. Equipment:		\$				
Rental		\$				
Repair and Maintenance	\$1,000	\$	\$1,000		\$1,000	
Purchase/Depreciation		\$		\$2,400	\$2,400	
5. Supplies:		\$				
Educational		\$				
Office	\$800	\$	\$800	\$3,000	\$3,800	
6. Travel	\$1,800	\$	\$1,800	\$1,400	\$3,200	
7. Occupancy	\$1,600	\$	\$1,600	\$12,800	\$14,400	
8. Current Expenses		\$				
Telephone	\$800	\$	\$800		\$800	
Postage	\$140	\$	\$140		\$140	
Subscriptions		\$				
Audit and Legal	\$800	\$	\$800	\$1,060	\$1,860	
Insurance	\$1,600	\$	\$1,600	\$900	\$2,500	
Board Expenses		\$				
9. Software		\$				
10. Marketing/Communications		\$				
11. Staff Education and Training	\$200	\$	\$200	\$100	\$300	
12. Subcontracts/Agreements		\$				
13. Other (specific details mandatory):		\$				
TOTAL	\$ 89,420.00	\$ -	\$ 89,420.00	\$ 59,580.00	\$ 149,000.00	

Indirect As A Percent of Direct

0

Contractor Initials: KLB

Date: 7-24-13

THE UPPER ROOM, A FAMILY RESOURCE CENTER

Financial Statements

June 30, 2012

(With Independent Auditors' Report Thereon)

THE UPPER ROOM, A FAMILY RESOURCE CENTER

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Independent Auditors' Report

To The Board of Directors of
The Upper Room, A Family Resource Center
Derry, NH

We have audited the accompanying statement of financial position of The Upper Room, A Family Resource Center (a New Hampshire not-for-profit organization) (the "Organization") as of June 30, 2012 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's June 2011 financial statements which we audited as of November 10, 2011.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Upper Room, A Family Resource Center as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Concord, New Hampshire
November 29, 2012

THE UPPER ROOM, A FAMILY RESOURCE CENTER
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2012 AND 2011

ASSETS

CURRENT ASSETS	2012	2011
Cash - operating	\$ 168,858	\$ 267,491
Cash - restricted	26,770	67,402
Prepaid expense	1,088	3,281
Grants receivable	50,384	58,162
Total current assets	<u>247,100</u>	<u>396,336</u>
PROPERTY AND EQUIPMENT		
Equipment and furniture	57,622	57,622
Leasehold improvements	51,375	51,375
	<u>108,997</u>	<u>108,997</u>
Less accumulated depreciation	<u>(81,751)</u>	<u>(79,512)</u>
Property and equipment, net	27,246	29,485
OTHER ASSETS		
Investment in certificates of deposit	<u>201,246</u>	<u>169,734</u>
TOTAL ASSETS	<u><u>\$ 475,592</u></u>	<u><u>\$ 595,555</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 2,926	\$ 540
Accrued wages and payroll taxes	39,570	15,032
Accrued fund-raising expenses	26,770	67,402
TOTAL LIABILITIES	<u>69,266</u>	<u>82,974</u>
NET ASSETS		
Unrestricted	22,966	113,625
Unrestricted - Board designated-program	323,541	331,000
Unrestricted - Board designated-endowment	9,794	9,794
Temporarily restricted	50,025	58,162
TOTAL NET ASSETS	<u>406,326</u>	<u>512,581</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 475,592</u></u>	<u><u>\$ 595,555</u></u>

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

THE UPPER ROOM, A FAMILY RESOURCE CENTER
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2012

(With summarized financial information for the ten month period ended June 30, 2011)

	TEMPORARILY		2012	2011
	UNRESTRICTED	RESTRICTED		
REVENUES AND OTHER SUPPORT				
Grants	\$ 361,225	\$ 50,025	\$ 411,250	\$ 439,331
Contributions	22,593		22,593	19,701
Program revenue	17,211		17,211	11,945
Fundraising - net	40,688		40,688	51,426
Fundraising auction	37,189		37,189	50,032
Interest income	8,949		8,949	2,539
In-kind contributions	142,183		142,183	81,831
TOTAL REVENUE AND OTHER SUPPORT	630,038	50,025	680,063	656,805
Net assets released from restriction	58,162	(58,162)		
	688,200	(8,137)	680,063	656,805
EXPENSES				
Program	543,587		543,587	430,853
Management and general	154,149		154,149	125,054
Fund-raising	88,582		88,582	76,028
TOTAL EXPENSES	786,318	-	786,318	631,935
(DECREASE) INCREASE IN NET ASSETS	(98,118)	(8,137)	(106,255)	24,870
NET ASSETS - BEGINNING OF YEAR	454,419	58,162	512,581	487,711
NET ASSETS - END OF YEAR	\$ 356,301	\$ 50,025	\$ 406,326	\$ 512,581

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

THE UPPER ROOM, A FAMILY RESOURCE CENTER
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2012

(With summarized financial information for the ten month period ended June 30, 2011)

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND RAISING	2012	2011
Salaries	\$ 313,310	\$ 93,525	\$ 60,792	\$ 467,627	\$ 392,040
Payroll taxes	26,175	7,814	5,079	39,068	31,650
Benefits	20,322	6,066	3,944	30,332	22,387
TOTAL SALARIES AND RELATED EXPENSES	359,807	107,405	69,815	537,027	446,077
Supplies	12,938	3,862	2,510	19,310	38,982
Maintenance and repairs	9,380	2,800	1,820	14,000	14,505
Office expense	3,099	2,404	822	6,325	6,230
Telephone	4,269	1,274	829	6,372	6,101
Utilities	9,524	2,842	1,848	14,214	12,097
Professional fees		16,734		16,734	8,094
Insurance	7,365			7,365	4,661
Postage and printing	1,694	506	329	2,529	3,767
Travel and conferences	3,987			3,987	5,963
Training and development	9,403	2,807	1,824	14,034	1,691
In-kind occupancy	43,778	13,068	8,494	65,340	53,840
In-kind program supplies	76,843			76,843	27,991
Depreciation	1,500	447	291	2,238	1,936
	<u>183,780</u>	<u>46,744</u>	<u>18,767</u>	<u>249,291</u>	<u>185,858</u>
TOTAL EXPENSES - 2012	\$ 543,587	\$ 154,149	\$ 88,582	\$ 786,318	
TOTAL EXPENSES - 2011	\$ 430,853	\$ 125,054	\$ 76,028		\$ 631,935

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

THE UPPER ROOM, A FAMILY RESOURCE CENTER
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012 AND TEN MONTH PERIOD ENDED JUNE 30, 2012

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (106,255)	\$ 24,870
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	2,239	1,936
(Increase) decrease in prepaid expense	2,193	(3,166)
(Increase) decrease in grants receivable	7,778	59,621
Increase (decrease) in accounts payable and accrued expense	<u>(13,708)</u>	<u>13,570</u>
Net cash (used by) provided by operating activities	<u>(107,753)</u>	<u>96,831</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(31,512)	(41,731)
Purchase of leasehold improvements	<u>-</u>	<u>(9,694)</u>
Net cash used by investing activities	<u>(31,512)</u>	<u>(51,425)</u>
 Net (decrease) increase in cash	(139,265)	45,406
Cash, beginning of year	<u>334,893</u>	<u>289,487</u>
Cash, end of year	<u>\$ 195,628</u>	<u>\$ 334,893</u>

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

THE UPPER ROOM, A FAMILY RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE A – NATURE OF BUSINESS

The Upper Room, A Family Resource Center (“the Organization”) operates as a nonprofit organization located in Derry, New Hampshire providing interactive educational programs and services which promote personal growth and build bridges to, and through, the larger community for individuals and families.

The Organization derives its support from grants provided by the State of New Hampshire and the United Way, fundraising activities, and contributions from various individuals, businesses and private foundations.

With a mission of providing citizens in Derry and surrounding communities with the services and resources they need to live happier, healthier and more self-sufficient lives, all Upper Room programs strive to help participants make healthy choices, develop healthy lifestyles and gain independence.

The Organization’s programs and services currently consist of the following:

Programs:

- 1) *Greater Derry Family Outreach* (GDFO), short term in-home parenting education and counseling;
- 2) *Families Reaching Our Goals* (FROG), a support and play group for parents and children ages 0 - 6;
- 3) *Teen Information for Parenting Success* (TIPS), a support program for young parents;
- 4) *Community Service Learning Opportunities* (CSLO), supervised community service hours for youth;
- 5) *GED Options*, collaboration with Pinkerton Academy, the state’s largest high school, for youth 16-21 getting ready to take the GED test in order to achieve a high school equivalency diploma;
- 6) *Greater Derry Juvenile Diversion* (GDJD), an alternative to court for first time juvenile offenders;
- 7) *Adolescent Wellness Program* (AWP), a comprehensive program which promotes healthy adolescent behavior.

Services:

- 1) *The Challenge Course* – Drug and alcohol education for youth
- 2) *Take Control Workshop* – A class for youth who have trouble handling their anger
- 3) *URParents* – a support group for parents of adolescents
- 4) *YES* – a program for youth who have shoplifted
- 5) *Parenting Education* – Classes and support groups for parents with children of all ages, these groups include Active Parenting of Teens, Active Parenting Today, 1 2 3 4 Parents! And Active Parenting for Step Families

All programs and services adhere to the principles of Family Support America.

THE UPPER ROOM, A FAMILY RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting. Revenue, other than contributions, is recognized when earned and expenses are recognized when the obligation is incurred.

Contributions

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending upon the existence and/or nature of donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, as applicable. Within temporarily restricted net assets, amounts are reclassified to unrestricted net assets when the restrictions expire.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities based on an estimate of personnel time. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Certificates of Deposit held at June 30, 2012 have terms ranging from two to four years and are considered as short term investments.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's tax returns are subject to review and examination by federal, state and local authorities. Information returns for the fiscal years ended June 30, 2011, 2010 and 2009 are subject to examination by federal, state and local authorities.

In accordance with ASC 740, *Income Taxes*, the Organization evaluated its tax positions and determined that its tax positions are more-likely-than-not to be sustained on examination. Accordingly, there are no unrecognized benefits or applicable interest and penalties that should be recorded.

THE UPPER ROOM, A FAMILY RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are generally expensed. Purchased property and equipment are carried at cost. Maintenance repairs and minor renewals are expensed as incurred and renewals and leasehold improvements are capitalized. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years.

Donated Materials and Services

The Organization records the value of donated materials and services when there is an objective basis available to measure their value. Donated materials and services for programs are recorded as in-kind donations in the accompanying financial statements at their estimated fair value at the date of receipt. Donated items for the annual auction are calculated at their fair value and are reported in net proceeds from fund-raising. The Organization also recognizes an estimate of contributed occupancy expense since the program and office facility is leased from the town of Derry at a rate of \$1 per year. Volunteers have donated a total of 1,264 hours of time assisting the Organization with fundraising, special projects and provision of program services. These contributed services, while critical to the success of the Organization's mission, do not meet the criteria for recognition in the financial statements.

NOTE C - COMPENSATED ABSENCES

Certain employees of the Organization are entitled to paid vacation, holiday, sick and personal days off, depending on job classification, length of service, and other factors. The Organization's policy is to accrue all vacation time earned and to recognize the costs of sick and personal day compensated absences when actually paid to employees.

NOTE D - GRANTS AND CONTRACTS

Grants receivable consist of amounts due from government and private agencies. Management periodically reviews the status of all grants receivable for collectability. Each balance is assessed based on management's knowledge of and relationship with the grantor and the age of the receivable balance. As a result of these reviews, balances deemed to be uncollectible are charged directly to bad debt expense. Management believes that the use of the direct write-off method approximates the results that would be presented if an allowance for doubtful accounts was recorded.

THE UPPER ROOM, A FAMILY RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE D – GRANTS AND CONTRACTS (CONTINUED)

Grants receivable consist of the following at June 30,:

	2012	2011
United Way	\$ 35,025	\$ 43,162
Pinkerton Academy	359	-
A. Eastman Foundation	15,000	15,000
Net	<u>\$ 50,384</u>	<u>58,162</u>

NOTE E – FUNDRAISING

The fundraising revenue, which is from regularly scheduled bingo games, has been reported net of fundraising expenses as follows:

	2012	2011
Revenue	\$ 613,700	\$ 526,103
Expenses	573,012	474,677
Net	<u>\$ 40,688</u>	<u>\$ 51,426</u>

At June 30, 2012 and 2011, the Organization held \$26,770 and \$67,402, respectively, in funds for future cash payouts.

NOTE F – NET ASSETS

Unrestricted net assets: Unrestricted net assets include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

Undesignated: Undesignated net assets are used for the general operations of the Organization.

Designated: The Board of Directors has authorized the setting aside of unrestricted funds for future planning. All interest income and any matching donations are set aside for a future endowment account. The funds are held in the operating account and total \$9,794 as of June 30, 2012. The Board has also designated \$323,541 of unrestricted funds for new programs and for the expansion of current programs. These funds are held in short term investments and in money market accounts.

Temporarily restricted net assets: Temporarily restricted net assets include those net assets whose use by the Organization has been donor restricted by specified time or purpose limitations.

THE UPPER ROOM, A FAMILY RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE F – NET ASSETS (CONTINUED)

Temporarily restricted net assets consist of the following at June 30,:

Grant funds restricted to programs:	
Greater Derry Family Outreach	\$ 15,000
General Educational Development	20,062
Teen Information for Parenting Success	3,750
Juvenile Diversion	11,213
Net	<u>\$ 50,025</u>

NOTE G – LEASE AGREEMENT

The Organization occupies office and program space under a lease agreement with the Town of Derry which requires a payment of \$1.00 due on January 1. The term of the lease is twenty years, beginning January 2010 through December 31, 2030. All utilities, repairs, maintenance and improvements are the responsibility of the Organization. On July 1, 2010, the Organization made a prepayment of \$20 for the full term of the lease.

NOTE H – CONCENTRATION

The organization performs services for Pinkerton Academy to manage the Organization's General Educational Development program. This contract provided revenue of \$120,000 for the year ended June 30 2012, representing approximately 18% of total revenue and support for the fiscal year ended June 30, 2012. In the event of non-renewal of this contract, the Organization would show a significant impact on its budget.

NOTE I – SUBSEQUENT EVENTS

In connection with the preparation of the financial statements, management has evaluated subsequent events to November 29, 2012, which is the issue date of the financial statements and has noted no transactions requiring disclosure.

Mission Statement: Proving people with the services and resources they need to live happier, healthier and more self-sufficient lives.

Vision Statement: The Upper Room, A Family Resource Center envisions a strong, vibrant and self sustaining community where conflict and hunger, homelessness and poverty, and ignorance and intolerance no longer exist. We look to the day where all families thrive and children have within their reach the tools to succeed. We will work to achieve our vision by living our mission and honoring our values each day.

The Values of The Upper Room, A Family Resource Center guide the staff and boards in carrying out our mission. We aspire to be an organization that:

- Is responsive to the community
- Is compassionate and non-judgmental
- Respects diversity
- Empowers each individual and family
- Works as a team
- Encourages innovative and creative ideas
- Maintains strong ethics and integrity

Goals:

All Upper Room programs strive to help participants make healthy choices, develop healthy lifestyles and gain independence. The Upper Room's agency wide objectives include:

Reducing the incidence of abuse and neglect and interpersonal conflict among families

Reducing drug and alcohol use and juvenile delinquency among youth

Reducing economic dependence on the community.

Our programs target parents and their children, youth exhibiting unhealthy behaviors, out-of-school youth and individuals in need of information and resources.

The UPPER ROOM BOARD OF DIRECTORS

36 Tsienneto Road, Derry, NH 03038; (603) 437-8477 Updated: 01/2013

Kimberly Bavaro, Executive Director: ([REDACTED])

Daryl Arsenault, President (08/10) [REDACTED] kbavaro@teachers.org kbavaro@gmail.com

[REDACTED] darsen613@comcast.net
[REDACTED] daryl.arsenault@citizensbank.com

Jacob D Wiesmann, Vice-President (06/12) CFO Parkland Medical Center, One Parkland Dr., Derry, NH H#720-299-7772 W# 421-2102, jacob.wiesmann@hcahealthcare.com

Marcia Briggs, Treasurer (01/10) Retired, Teacher - [REDACTED]
[REDACTED] mbiggs@psnh.org

Gale Stanley, Secretary (04/10) Special Ed Teacher, Centre School of Hampton, [REDACTED]
[REDACTED] gstnley@cmh.asd.nh

Jack Briggs (01/10) Retired, PSNH - [REDACTED]
[REDACTED] jbriggs@comcast.net

Heather Francoeur (04/11) Citizens Bank, [REDACTED]
W#425-0137: heather.francoeur@citizensbank.com

Michelle Keyworth(06/12) Greater Nashua Mental Health, 23 Ashland St, Nashua, NH 03064
[REDACTED] W# 889-6147 x3290, keyworthm@gnmhc.org

Jennifer Peabody,(7/12) Peabody Funeral Home, Office Manager [REDACTED]
[REDACTED] jpeabs2@comcast.net

John Oudjeusden,(7/12) Owner, Promises to Keep [REDACTED]
[REDACTED]

Anne Engelhardt,(7/12) Quilter, [REDACTED]
[REDACTED] anneengelt@comcast.net

Katie Floyd,(7/12) Regional Recruitment Manager, City Year, [REDACTED]
[REDACTED] kfloyd@cityyear.org

Advisory Board

Donna Cavaleri (*Advisory Board*) (06/08), School Counselor Centre School Hampton NH- [REDACTED]
[REDACTED] CavaleriDM@aol.com

John Dulmage (*Advisory Board*) (10/07) Personal Financial Advisor, [REDACTED]
[REDACTED] JDulmage@Comcast.net

AD HOC Members:

Thelma Hutton, (1986): Rock. Co. Dept. Human Services, Ret'd; Instructor, White Pines College;
[REDACTED]

Marie Brownell; Brownell Insurance, Owner, [REDACTED]
[REDACTED] marie@brownellinsurance.com

David McGrath: Attorney, Sheehan, Phinney, Bass and Green. [REDACTED]
[REDACTED] dmcgrath@sheehan.com

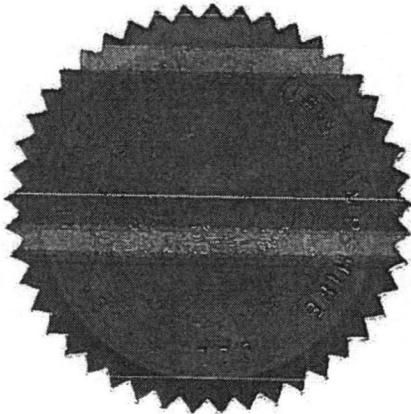
Jessica Miele -SNH Bank; [REDACTED]
[REDACTED] miele@bome.com

Renee Fellows, (01/04): Clearpoint Marketing Communications, Principal; [REDACTED]
[REDACTED] RFellows@bnclearpoint.com

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that The Upper Room, A Family Resource Center is a New Hampshire nonprofit corporation formed July 30, 1986. 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 12th day of April A.D. 2013

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

William M. Gardner
Secretary of State



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

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

Nicholas A. Toumpas
 Commissioner

Maggie Bishop
 Director

May 5, 2011

His Excellency, Governor John H. Lynch
 and the Honorable Executive Council
 State House
 Concord, New Hampshire 03301

G&C Approved

Date 6/8/11
 Item # 113

REQUESTED ACTION

Authorize the Department of Health and Human Services, Divisions for Children, Youth and Families to enter into an agreement with the Upper Room, Salem, NH (Vendor #174210 R001), for the provision of comprehensive family support services in the Salem region, effective July 1, 2011 or date of Governor and Executive Council approval, whichever comes later, through June 30, 2013, in an amount not to exceed \$183,840.00. Funds for this purpose are anticipated to be available in State Fiscal Years 2012 and 2013 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts, if needed and justified, between State Fiscal Years:

05-95-40-404010-5850 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, TITLE XX GRANTS - SSBG

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130302	\$72,920.00	\$72,920.00	\$145,840.00

05-95-40-404010-5847 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, FEDERAL GRANT PROGRAMS, PROMOTING SAFE-STABLE FAMILIES

<u>Class/Object</u>	<u>Title</u>	<u>Activity Code</u>	<u>SFY 2012</u>	<u>SFY 2013</u>	<u>TOTAL</u>
102-500734	Social Service Contracts	40130007	\$19,000.00	\$19,000.00	\$38,000.00
Total:			\$91,920.00	\$91,920.00	\$183,840.00

EXPLANATION

The above action is requested for the provision of comprehensive family support services to families within the Salem region. Throughout the state, local agencies provide a range of support services to families and children that focus on strengthening, supporting and building on the strengths and skills of individuals. These services adhere to a nationally recognized set of values and principles centered on the empowerment of individuals, families and communities. Since State Fiscal Year 2002, the Division for Children, Youth and Families has formalized partnerships, through the contracting process, with one local agency per catchment area,

May 5, 2011

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to provide services to families experiencing stressors that could cause them to become involved with the Division should they not obtain sufficient support to address their family's needs.

Comprehensive family support services seek to prevent family problems by strengthening parent-child relationships and by providing parents what they need to be good nurturers and providers. The program delivers a wide array of services through a single point of entry and ensures that families can access the services in their home communities, and from agencies and partners that know the individuals and characteristics of the communities that they serve. Services include: visiting family homes to establish a trusting, non-threatening relationship with which the family's needs can be identified; educating parents about their child(ren)'s medical and health needs; linking parents with early childhood care programs and teaching them about child development; supporting and educating parents through peer parent support groups; linking parents with literacy programs to either help parents learn to read or to teach them the importance of reading to their child(ren); family mentoring and advocacy to improve parenting skills, self-sufficiency, family functioning, and reduce the likelihood of abuse and neglect; life skills training to address the family's needs in the context of budgeting, nutrition counseling, financial management, job security, etc. (particularly helpful to young parents); and short-term child placement/respice care to help families ensure their child(ren) are cared for when the parent is temporarily unable to do so.

Through the provision of comprehensive family support services families receive needed services in the most non-intrusive, non-stigmatizing and most efficient manner possible. Over the last six years, the Division for Children, Youth and Families has identified several proven outcomes for participating families, such as not becoming involved in other systems of care; becoming actively engaged with their community, and learning how to pursue and achieve healthy goals. The success of these prevention oriented services helps the Division for Children, Youth and Families achieve its mission, in that children live in nurturing families, and play and go to schools in communities that are safe and cherish children.

Competitive Bidding Process

On February 28, 2011, the Division issued a Request for Proposal for this program. The Request for Proposals was published on the Department of Health and Human Services website and the Division also announced the release of the Request for Proposals via a letter sent to 30 area agencies. As part of the bidding process a bidders conference was held on March 14, 2011 and representatives from fourteen agencies attended. The Upper Room was the only agency to submit a proposal for the Salem region.

The Request for Proposals included evaluation criteria and a description of factors that the Division for Children, Youth and Families would utilize in assessing the effectiveness of proposals received. The Division formed an Evaluation Committee comprised of Division staff from the Bureau of Family and Community-Based Services, as well as staff from the Child Well-Being Bureau and the Division's Financial Analyst and Contract Specialist. Committee members individually reviewed the Upper Room's proposal; out of 100 possible points the agency's proposal scored an average of 82 points. As a result, the Committee recommended awarding an agreement to the Upper Room to serve the Salem region.

The Upper Room has provided comprehensive family support services in this region for the last six years and have received favorable satisfaction ratings. During State Fiscal Year 2010 the agency provided services to 147 children and adults in the Salem region, including, but not limited to, Life Skills Training, Literacy Education & Support, Family Mentoring & Advocacy, and Parent Education & Support.

Agreement Terms

The agreement calls for the provision of these services for two years and reserved the Division's right to renew them for up to four additional years based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Council approval. The Upper Room has provided its services well and is favorably rated by the families it serves in the Salem region. Supporting Federal Funds continue to be available for these services and the Upper Room further supports the program by contributing at least 25% of the cost of service provision through contractor match dollars, in effective eliminated the need for matching General Funds.

In the event that this contract is not approved by the Governor and Executive Council, children and families will go without preventative services resulting in the very real likelyhood of increased maltreatment of children in this state.

Geographic area served: Salem catchment area.

Source of funds: 100% Federal Funds from the US Department of Health and Human Services.

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

Respectfully submitted,

Maggie Bishop
Maggie Bishop (CREB)
Director

Approved by:

Nicholas A. Toumpas
Nicholas A. Toumpas
Commissioner



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/11/2013

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

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

PRODUCER FIAI/Cross Ins-Manchester 1100 Elm Street Manchester NH 03101		CONTACT NAME: Jennifer Kokolis PHONE (A/C No. Ext): (603) 669-3218 E-MAIL ADDRESS: JKokolis@crossagency.com FAX (A/C No): (603) 645-4331	
INSURED The Upper Room a Family Resource Center 36 Tsienneto Road P.O. Box 1017 Derry NH 03038		INSURER(S) AFFORDING COVERAGE INSURER A: Citizens Ins Co of America NAIC # 31534 INSURER B: Hanover Ins Group INSURER C: Commerce & Industry Insurance INSURER D: INSURER E: INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 12-13 All lines **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			ZBV9232702	7/1/2012	7/1/2013	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 3,000,000
							PRODUCTS - COMP/OP AGG \$ 1,000,000
							\$
A	AUTOMOBILE LIABILITY			ZBV9232702	7/1/2012	7/1/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
							\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB	<input checked="" type="checkbox"/> OCCUR		UHV9232704	7/1/2012	7/1/2013	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$ 1,000,000
	<input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0						\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WC051752503 (3a.) NH All officers included	7/1/2012	7/1/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input checked="" type="checkbox"/> Y/N	N/A				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Refer to policy for exclusionary endorsements and special provisions.

CERTIFICATE HOLDER

State of NH
 Department of Health and Human Services
 Brown Building
 129 Pleasant Street
 Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
 M Betke/JSC *Marnie A. Betke*