



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

April 5, 2013

SOLE SOURCE

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to enter into a **sole source** amendment with Southeastern Regional Education Services Center, Inc., (Vendor #154866 B001) 29 Commerce Drive, Bedford, NH 03110 for the provision of training and technical assistance to parents and providers caring for children with special needs by increasing the price limitation by \$65,000 from \$600,000 to an amount not to exceed \$665,000 and extending the completion date from June 30, 2013 to December 31, 2013, effective July 1, 2013 or date of Governor and Council approval, whichever is later. Governor and Council approved the original agreement on June 17, 2009, (Item #116), then subsequently approved a renewal option on June 8, 2011, (Item #107).

Funds to support this request are anticipated to be available in the following account 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 contract without further approval from Governor and Executive Council.

100% FLD

05-95-42-421110-29780000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD DEVELOPMENT, CHILD CARE DVLP-QUALITY ASSURE

Class/Account	Title	Activity Code	State Fiscal Year	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
102-500734	Contracts For Program Services	40035201	2010	\$170,000.00	\$0.00	\$170,000.00
102-500734	Contracts For Program Services	40035201	2011	\$170,000.00	\$0.00	\$170,000.00
102-500734	Contracts For Program Services	40035201	2012	\$130,000.00	\$0.00	\$130,000.00
102-500734	Contracts For Program Services	40035201	2013	\$130,000.00	\$0.00	\$130,000.00
102-500734	Contracts For Program Services	40035700	2014	\$0.00	\$65,000.00	\$65,000.00
Subtotal				\$600,000.00	\$65,000.00	\$665,000.00

EXPLANATION

This request is being submitted to ensure continuation of services while the Department looks for opportunities to further align service delivery to better serve the citizens of the State of New Hampshire. The

department intends to release a Request for Proposals by September, 2013. The services will be competitively bid.

New Hampshire is federally required by 45 CFR 98.51 to use Federal Child Care Development Funds to increase the availability, accessibility, and quality of child care programs throughout the State. These expenditures are required to maintain federal funding for the NH Child Care Scholarship Program that provides child care subsidies to families to help them continue working or participating in a job search activity. This requested action meets the conditions of the federal mandate through the a statewide program that provides training and technical assistance to providers and parents to support the inclusion of children with special needs in child care programs. The purpose of this Agreement is to lower the expulsion rate of children with challenging behaviors from child care programs.

New Hampshire's children and their families benefit from quality services that provide an alternative to expulsion from a child care program. The consequences of expulsion have implications for parental employment as well as negative outcomes for children. When children are expelled, parents are not able to work or engage in a Temporary Assistance for Needy Families approved activity. For foster families, the choice between employment and fostering may result in the child's requiring options that are more costly. Low-income families will also benefit by the continuance of available child care subsidies provided through the NH Child Care Scholarship Program.

Agreement Terms

Other than the renewal of this agreement for an additional six months and the level funded increase in the price limitation all other terms and conditions remain unchanged from the original agreements approved by Governor and Council on June 17, 2009, (Item #116), then subsequently approved a renewal option on June 8, 2011, (Item #107).

Should Governor and Council not authorize this Request the number of children expelled from child care programs may increase, resulting in barriers to a parent's ability to remain employed or participate in a job search activity. Additionally, federal sanctions could result in a reduction in federal funds to support the Child Care Scholarship Program resulting in financial hardship for families dependent on subsidized child care to remain employed or participating in a job search activity.

This contractor was selected through a competitive bid process. The Department issued a Request for Proposal published on the Department's website and in the New Hampshire Union Leader on December 18, 19 and 20, 2008. A Bidders Conference was held on January 16, 2009 and two prospective bidders were represented. Southeastern Regional Education Services Center, Inc. was the only agency to submit a proposal. The evaluation committee recommended awarding an agreement to Southeastern Regional Education Services Center's for the provision of the Child Care Inclusion Program.

The Agreement has overall performance measures with negotiated goals to determine the success of the contract. Performance measures include:

- The percentage of children identified as "at risk for expulsion" by the child care program that are still enrolled in the program three to six months after the completion of services delivered by this contract; and
- The percentage of staff turnover at child care programs that receive services delivered by this contract (excluding leaving for program changes unrelated to a child's special needs);

Goals will be evaluated on a quarterly basis and performance that does not meet the negotiated expectations may result in financial penalties or a termination of the contract as described and authorized in the P-37 agreement.

Area Served: Statewide.

Source of Funds: 100% Federal Department of Health and Human Services Funds.

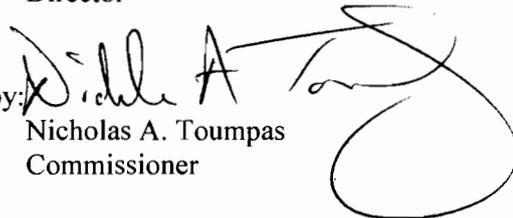
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Maggie Bishop
Director

Approved by:



Nicholas A. Toumpas
Commissioner



**State of New Hampshire
Department of Health and Human Services
Amendment #2 to the Preschool Technical Assistance Network Contract**

This 2nd Amendment to the *Preschool Technical Assistance Network* contract (hereinafter referred to as "Amendment #2") dated this 21st day of March 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 *Southeastern Regional Education Service Center Inc.* (hereinafter referred to as "the Contractor"), a Corporation with a place of business at 29 Commerce Drive Bedford, NH -3110.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 17, 2009, and amended by an agreement (Amendment #1 to the Contract) approved on June 8, 2011, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18, the State may at its sole discretion, extend the completion date of the contract by written agreement of the parties; and

WHEREAS, the parties agree the project should be extended by six months;

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 "12/31/2013";
- Form P-37, Item 1.8, Price Limitation, shall be amended to read "\$665,000.00";
- Exhibit A, Scope of Services, Contract Period shall be amended to read "July 1, 2011 to December 31, 2013";
- Exhibit B, Method, Schedule, and Conditions Precedent to Payment, Program Period, shall be amended to read: "January 1, 2010 – December 31, 2013";
- Exhibit B, Method, Schedule, and Conditions Precedent to Payment, shall be amended to read: "...the amount not to exceed "\$665,000.00.00 (six-hundred sixty-five thousand dollars)..."

Except as specifically amended and modified by the terms and conditions of this Amendment and Amendment #1, the Agreement, and the obligations of the parties there under, shall remain in full force and effect in accordance with the terms and conditions set forth herein.



NH Division for Children, Youth and Families- Preschool Technical Assistance

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

4/24/13
Date

Nicholas A. Toumpas
Nicholas A. Toumpas
Commissioner

Southeastern Regional Education Services Center, Inc.

4/2/13
Date

Richard LaSalle
NAME Richard LaSalle
TITLE Executive Director

Acknowledgement:

State of NH, County of Hillsborough on 4/2/13, 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

Abby Collins
Abby L. Collins, Notary
Name and Title of Notary or Justice of the Peace

ABBY COLLINS, Notary Public
My Commission Expires September 23, 2014

NH Division for Children, Youth and Families- Preschool Technical Assistance



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

OFFICE OF THE ATTORNEY GENERAL

17 Apr. 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:

New Hampshire Department of Health and Human Services

Bidder/Program Name: SERESC

Budget Request for: PTAN

(Name of RFP)

Budget Period: 7/1/13-12/31/13

Line Item	Direct/Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/ Fixed Cost
1. Total Salary/Wages	25,135.00	2,412.50	27,547.50	7,375.00	34,922.50	time allocation of admin, accounting, reception
2. Employee Benefits	12,270.50	554.88	12,825.38	0.00	12,825.38	% of wages
3. Consultants	18,875.00	0.00	18,875.00	0.00	18,875.00	
4. Equipment:	0.00	0.00	0.00	500.00	500.00	
						rental on equipment used by admin, accounting and reception
Rental	0.00	352.00	352.00	0.00	352.00	
Repair and Maintenance	0.00	195.00	195.00	0.00	195.00	maint on equipment and building in hallways, lobby, bathrooms.
Purchase/Depreciation	0.00	526.00	526.00	0.00	526.00	depreciation on equipment used by admin, accounting, reception
5. Supplies:	0.00	0.00	0.00	0.00	0.00	
Educational	0.00	0.00	0.00	0.00	0.00	
Office	0.00	202.71	202.71	375.00	577.71	Administrative, business office, reception supplies
6. Travel	2,250.00	0.00	2,250.00	0.00	2,250.00	
7. Occupancy	0.00	1,201.00	1,201.00	900.00	2,101.00	lobby, hallways, bathrooms, parking costs
8. Current Expenses	0.00	0.00	0.00	0.00	0.00	

Telephone	500.00	90.00	590.00	0.00	590.00	0.00	590.00	telephone infrastructure
Postage	60.41	0.00	60.41	0.00	60.41	0.00	60.41	
Subscriptions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Audit and Legal	0.00	150.00	150.00	0.00	150.00	0.00	150.00	
Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Board Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9. Software	0.00	225.00	225.00	0.00	225.00	0.00	225.00	network, office applications, and accounting software
10. Marketing/Communications	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
11. Staff Education and Training	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12. Subcontracts/Agreements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
13. Other (specific details mandated)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL	\$ 59,090.91	\$ 5,909.09	\$ 65,000.00	\$ 9,150.00	\$ 74,150.00			

10.0%

Indirect As A Percent of Direct

CERTIFICATE OF VOTE

(Corporation with Seal)

I, Richard LaSalle, Executive Director of the
(Corporation Representative Name) (Corporation Representative Title)

Southeastern Regional Education Service Center, Inc. (SERESC), do hereby certify that:
(Corporation Name)

(1) I am the duly elected and acting Executive Director of the
(Corporation Representative Title)
Southeastern Regional Education Service Center Inc. (SERESC), a New Hampshire corporation (the
"Corporation");
(Corporation Name) (State of Incorporation)

(2) I maintain and have custody of and am familiar with the Seal and minute books of the Corporation;

(3) I am duly authorized to issue certificates;

(4) the following are true, accurate and complete copies of the resolutions adopted by the Board of Directors of the Corporation at a meeting of the said Board of Directors held on the

20th day of August, 2012, which meeting was duly held in accordance with
New Hampshire law and the by-laws of the Corporation:
(State of Incorporation)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting by and through the Department of Health and Human Services, providing for the performance by the Corporation of certain Educational services, and that the President (any Vice President) (and the Treasurer) (or any of them acting singly) be and hereby (is) (are) authorized and directed for and on behalf of this Corporation to enter into the said contract with the State and to take any and all such actions and to execute, seal, acknowledge and deliver for and on behalf of this Corporation any and all documents, agreements and other instruments (and any amendments, revisions or modifications thereto) as (she) (he) (any of them) may deem necessary, desirable or appropriate to accomplish the same;

RESOLVED: That the signature of any officer of this Corporation affixed to any instrument or document described in or contemplated by these resolutions shall be conclusive evidence of the authority of said officer to bind this Corporation thereby;

The forgoing resolutions have not been revoked, annulled or amended in any manner whatsoever, and remain in full force and effect as of the date hereof; and the following person(s) (has) (have) been duly elected and now occupy the office(s) indicated below

Dr. Charles Littlefield President Name

Mr. Timothy Mayes Vice President Name

N/A Treasurer Name

IN WITNESS WHEREOF, I have hereunto set my hand as the Executive Director
(Title)

of the Corporation and have affixed its corporate seal this 2nd day of April, 2013.

[Signature]
(Signature)

(Seal)

STATE OF New Hampshire

COUNTY OF Hillsborough

On this the 2nd day of April, 2013 before me, Abby Collins, the undersigned officer,

personally appeared Richard LaSalle who acknowledge her/himself to be the

Executive Director, of SERESC, Inc., a corporation, and that she/he,
as

(Title) (Name of Corporation)

such Executive Director being authorized to do so, executed the foregoing instrument for the
(Title)

purposes therein contained, by signing the name of the corporation by her/himself as

Richard LaSalle, Executive Director.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

[Signature]
Notary Public/Justice of the Peace

My Commission expires: 9/23/14

ABBY COLLINS, Notary Public
My Commission Expires September 23, 2014



SERESC

Southeastern Regional Education Service Center, Inc.

29 Commerce Drive
Bedford, NH 03110
Phone: 603-206-6800
Fax: 603-434-3891
www.seresc.net

RICHARD LASALLE
Executive Director

CERTIFICATE OF AUTHORITY

The Board of Directors of the Southeastern Regional Education Service Center, Inc. do hereby certify that Richard LaSalle is the duly appointed Executive Director of the Southeastern Regional Education Service Center, Inc. a New Hampshire Corporation duly existing under the law and having a principal place of business in Bedford, New Hampshire.

The Board also certifies that Richard LaSalle is authorized by the Board of Directors of the Southeastern Regional Education Service Center, Inc. to sign on behalf of the corporation; all contracts, agreements, documents, application for payment from the Governor and Council, state bodies and all other individuals and entities.

The Board further certifies that Richard LaSalle is authorized to execute on behalf of the Corporation; all contracts, agreements and other similar documents.

8/20/12
Date

Dr. Charles P. Littlefield, Chairperson
SERESC Board of Directors

The foregoing resolution has not been amended or revoked and remains in full force and effect as of 3/26/13.

Timothy K. Mayes
Timothy Mayes, Vice Chairperson, Clerk
SERESC Board of Directors

**SOUTHEASTERN REGIONAL EDUCATION
SERVICE CENTER, INC.
Financial Statements**

For the Year Ended June 30, 2012

(With Independent Auditors' Report Thereon)

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MELANSON HEATH & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT ADVISORS

102 Perimeter Road
Nashua, NH 03063-1301
Tel (603) 882-1111 • Fax (603) 882-9456
www.melansonheath.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Southeastern Regional Education Service Center, Inc.
Bedford, New Hampshire

We have audited the accompanying statement of financial position of Southeastern Regional Education Service Center, 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 Organization'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 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 Southeastern Regional Education Service Center, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2012 on our consideration of the Southeastern Regional Education Service Center'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

Additional Offices:

Andover, MA • Greenfield, MA • Ellsworth, ME • Manchester, NH

that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The 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 generally accepted accounting principles. 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information appearing 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.

Melanson, Heath + Company P.C.
Nashua, New Hampshire
October 18, 2012

SOUTHEASTERN REGIONAL EDUCATION SERVICE CENTER, INC.

Statement of Financial Position
June 30, 2012
(with comparative totals as of June 30, 2011)

<u>ASSETS</u>	Operating Fund	Unrestricted Board Restricted	Total Unrestricted	Temporarily Restricted	2012 Total	2011 Total
Current Assets:						
Cash and cash equivalents	\$ 764,876	\$ 101,854	\$ 866,730	\$ 26,263	\$ 892,993	\$ 689,171
Restricted short term investments	136,473	-	136,473	-	136,473	152,889
Short term investments	325,343	-	325,343	-	325,343	322,951
Accounts and grants receivable	933,814	-	933,814	-	933,814	978,869
Prepaid expenses	20,958	-	20,958	-	20,958	17,371
Other assets	-	-	-	-	-	1,120
Total Current Assets	<u>2,181,464</u>	<u>101,854</u>	<u>2,283,318</u>	<u>26,263</u>	<u>2,309,581</u>	<u>2,162,371</u>
Property and equipment, net	6,801,260	-	6,801,260	-	6,801,260	6,987,576
TOTAL ASSETS	<u>\$ 8,982,724</u>	<u>\$ 101,854</u>	<u>\$ 9,084,578</u>	<u>\$ 26,263</u>	<u>\$ 9,110,841</u>	<u>\$ 9,149,947</u>
 <u>LIABILITIES AND NET ASSETS</u>						
Current Liabilities:						
Accounts payable	\$ 126,238	-	\$ 126,238	-	\$ 126,238	\$ 224,331
Accrued expenses	151,895	-	151,895	-	151,895	142,691
Other liabilities	11,902	-	11,902	-	11,902	11,400
Deferred revenue	158,417	-	158,417	-	158,417	90,408
Current portion of long term debt	190,000	-	190,000	-	190,000	180,000
Total Current Liabilities	<u>638,452</u>	<u>-</u>	<u>638,452</u>	<u>-</u>	<u>638,452</u>	<u>648,830</u>
Long term debt net of current portion	4,625,000	-	4,625,000	-	4,625,000	4,815,000
Net Assets	<u>3,719,272</u>	<u>101,854</u>	<u>3,821,126</u>	<u>26,263</u>	<u>3,847,389</u>	<u>3,686,117</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,982,724</u>	<u>\$ 101,854</u>	<u>\$ 9,084,578</u>	<u>\$ 26,263</u>	<u>\$ 9,110,841</u>	<u>\$ 9,149,947</u>

See accompanying notes to the financial statements.

SOUTHEASTERN REGIONAL EDUCATION SERVICE CENTER, INC.

Statement of Activities

For the Year Ended June 30, 2012
(with comparative totals for the year ended June 30, 2011)

	Unrestricted		Temporarily Restricted	2012 Total	2011 Total
	Operating Fund	Board Restricted			
Support and Revenue:					
Support:					
Governmental grants	\$ 1,703,267	-	\$ -	\$ 1,703,267	\$ 1,659,445
Grants and contributions	4,452	-	2,975	7,427	9,141
Revenue:					
Tuition revenue	974,879	-	-	974,879	1,109,465
Consulting revenue	3,023,128	-	-	3,023,128	2,801,302
Membership revenue	90,997	-	-	90,997	77,709
Other services	1,712,615	101,854	-	1,814,469	1,770,454
Investment income:					
Interest income	3,246	-	20	3,266	5,730
Net assets released from restriction	1,000	-	(1,000)	-	-
Total Support and Revenue	7,513,584	101,854	1,995	7,617,433	7,433,246
Expenses:					
Program services	6,239,238	-	-	6,239,238	6,302,957
Administration	1,216,923	-	-	1,216,923	1,055,792
Total Expenses	7,456,161	-	-	7,456,161	7,358,749
Change in net assets	57,423	101,854	1,995	161,272	74,497
Net Assets, Beginning of Year	3,661,849	-	24,268	3,686,117	3,611,620
Net Assets, End of Year	\$ 3,719,272	\$ 101,854	\$ 26,263	\$ 3,847,389	\$ 3,686,117

See accompanying notes to the financial statements.

SOUTHEASTERN REGIONAL EDUCATION SERVICE CENTER, INC.

Statement of Cash Flows
For the Year Ended June 30, 2012
(with comparative totals for the year ended June 30, 2011)

	<u>2012</u>	<u>2011</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 161,272	\$ 74,497
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	245,512	236,372
(Increase) decrease in:		
Restricted cash	16,416	(2,769)
Accounts and grants receivable	45,055	(138,155)
Prepaid expenses	(3,587)	5,358
Other assets	1,120	(1,508)
Increase (decrease) in:		
Accounts payable	(98,093)	183,404
Accrued expenses	9,204	-
Other liabilities	502	-
Deferred revenue	<u>68,009</u>	<u>32,780</u>
Net Cash Provided By Operating Activities	445,410	389,979
<u>Cash Flows From Investing Activities:</u>		
Purchases of investments	(2,392)	(4,749)
Purchase of fixed assets	<u>(59,196)</u>	<u>(59,673)</u>
Net Cash Used By Investing Activities	<u>(61,588)</u>	<u>(64,422)</u>
<u>Cash Flows From Financing Activities:</u>		
Principal payments of long term debt	<u>(180,000)</u>	<u>(170,000)</u>
Net Cash Used By Financing Activities	<u>(180,000)</u>	<u>(170,000)</u>
Net Change in Cash and Cash Equivalents	203,822	155,557
Cash and Cash Equivalents, Beginning	<u>689,171</u>	<u>533,614</u>
Cash and Cash Equivalents, Ending	<u>\$ 892,993</u>	<u>\$ 689,171</u>
 SUPPLEMENTAL INFORMATION:		
Interest Paid	<u>\$ 248,390</u>	<u>\$ 251,391</u>

See accompanying notes to the financial statements.

SOUTHEASTERN REGIONAL EDUCATION SERVICE CENTER, INC.

Notes to the Financial Statements

1. Organization

Southeastern Regional Education Service Center, Inc. (the Organization), is a New Hampshire nonprofit corporation that is funded through Federal revenues and tuition from local school districts. The Organization provides education services to local school districts and educators throughout New Hampshire.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies of the Organization used in preparing and presenting the accompanying financial statements.

Accounting for Contributions and Financial Statement Presentation

The Organization follows *Accounting for Contributions Received and Contributions Made* and *Financial Statements of Not-for-Profit Organizations* as required by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). Under these guidelines, the Organization is required to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services, meeting certain criteria at fair values. These reporting standards establish standards for financial statements of not-for-profit organizations and require a statement of financial position, a statement of activities and a statement of cash flows.

Basis of Accounting

Revenues and expenses are reported on the accrual basis of accounting. Under this basis, revenues, other than contributions, and expenses are reported when incurred, without regard to the date of receipt or payment of cash. Contributions are reported in accordance with FASB ASC *Accounting for Contributions Received and Contributions Made*.

Restricted and Unrestricted Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

The Organization's investments are comprised of certificates of deposit with maturities of greater than three months. Restricted short-term investments are comprised of money market mutual funds.

Allowance for Doubtful Accounts

The adequacy of the allowance for doubtful accounts for receivables is reviewed on an ongoing basis by the Organization's management and adjusted as required through the provision for doubtful accounts (bad debt expense). In determining the amount required in the allowance account for the year ended June 30, 2012, management has taken into account a variety of factors.

Property and Equipment

Property and equipment is recorded at cost or, if donated, at estimated fair market value at the date of donation. Major additions and improvements are capitalized, while ordinary maintenance and repairs are charged to expense. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Assets not in service are not depreciated.

Functional Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the Statement of Activities and in the Schedule of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Services

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in its programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under generally accepted accounting principles have not been satisfied.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

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, 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. Accordingly, actual amounts could differ from those estimates.

Tax Status

Southeast Regional Education Service Center, Inc. is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. FASB ASC 740-10 did not have a material impact on the Organization's financial statements.

The Organization's Federal Form 990 (Return of Organization Exempt From Income Tax) for fiscal years 2011, 2010, and 2009 are subject to examination by the IRS, generally for three years after they were filed.

The Organization recognizes interest related to unrecognized tax benefits in interest expense and penalties that are included within reported expenses. During the year ended June 30, 2012, the Organization had no interest or penalties accrued related to unrecognized tax benefits.

Reclassifications

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

Subsequent Events

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2012 through October 18, 2012 the date the financial statements were available to be issued, have been evaluated by management for disclosure. Management has determined that

there were no material events that would require disclosure in the Organization's financial statements through this date.

3. Concentration of Credit Risk - Cash and Cash Equivalents

The carrying amount of the Organization's deposits with financial institutions was \$ 892,993 at June 30, 2012. The difference between the carrying amount and the bank balance represents reconciling items such as deposits in transit and outstanding checks, which have not been processed by the bank at June 30, 2012. The bank balance is categorized as follows:

Insured by FDIC and CDARS	\$ 1,015,573
Uninsured and uncollateralized	<u>1,235</u>
Total Bank Balance	<u>\$ 1,016,808</u>

4. Investments

The Organization's short-term investments consist of certificates of deposit with maturities greater than three months. The Organization's certificates of deposit held at Centrix Bank and ING Direct are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization's investment balances as of June 30, 2012 exceeded the FDIC insurance coverage limit by \$ 17,874. Restricted short-term investments consist of money market mutual funds which are covered under the Securities Investor Protection Corporation (SIPC) program up to \$ 500,000 and by excess SIPC program for amounts over \$ 500,000. The Organization's balance as of June 30, 2012 did not exceed the SIPC coverage limit.

5. Property, Equipment and Depreciation

A summary of the major components of property and equipment is presented below:

	<u>2012</u>	<u>2011</u>
Land and land improvements	\$ 1,058,330	\$ 1,048,330
Buildings and improvements	7,306,764	7,316,764
Furniture, fixtures and equipment	1,271,865	1,226,629
Vehicles	<u>13,960</u>	<u>-</u>
Subtotal	<u>9,650,919</u>	<u>9,591,723</u>
Less: accumulated depreciation	<u>(2,849,659)</u>	<u>(2,604,147)</u>
Total	<u>\$ 6,801,260</u>	<u>\$ 6,987,576</u>

Depreciation expense for the year ended June 30, 2012 totaled \$ 245,512.

6. Accrued Expenses

Accrued expenses consist primarily of payroll related liabilities.

7. Deferred Revenue

Deferred revenue consists primarily of grant funds that were received that had not yet been earned under the grant agreements.

8. Long Term Debt

Long-term debt as of June 30, 2012 consisted of the following:

Bond payable due in varying monthly installments and interest at 2.8% due semiannually, paid by the Organization on a monthly basis, payable over 30 years, and secured by a letter of credit.	\$ <u>4,815,000</u>
Total	4,815,000
Less amount due within one year	<u>(190,000)</u>
Long-term debt, net of current portion	<u>\$ 4,625,000</u>

The following is a summary of future payments on the previously mentioned long-term debt.

<u>Year</u>	<u>Amount</u>
2013	\$ 190,000
2014	200,000
2015	210,000
2016	225,000
2017	235,000
Thereafter	<u>3,755,000</u>
	<u>\$ 4,815,000</u>

This bond was issued under a multi-annual rate agreement, under which the bond was subject to a mandatory remarketing on November 1, 2011. To enhance the marketability of the bond, the bond issuance documents require the Organization to retain a letter of credit to back the balance of the bond. On

November 1, 2011, the bond was not remarketed and the letter of credit was extended. Subsequently, on December 29, 2011, the bond was remarketed at par with the current interest rate of 2.8%. The Organization and the purchaser of the bond agreed to a new multi-annual rate agreement under which the bond will be subject to mandatory remarketing on October 31, 2016. The bond is backed in full by a letter of credit, expiring on November 14, 2016.

9. Line of Credit

The Organization has available a revolving line of credit with a bank in the amount of \$ 250,000. The outstanding balance on this line at June 30, 2012 was \$ 0, and there were no advances on the line of credit during the year. This line is payable on demand and requires monthly interest only payments calculated on the outstanding balance from the previous month. Interest is variable, based on Wall Street Prime adjusted daily. Said rate is subject to a floor of 4.00%. The current rate at June 30, 2012 was 4.00%.

10. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2012:

	<u>2012</u>
New Hampshire Assistive Technology Loan Fund	\$ 19,627
Scholarship Fund	<u>6,636</u>
Temporarily restricted net assets	<u>\$ 26,263</u>

11. Net Assets Released from Restriction

Net assets are released from program restrictions by incurring expenses satisfying the restricted purpose.

12. Board-Designated Net Assets

Board designated net assets are comprised of two programs, the Center for Effective Behavioral Interventions and Supports (CEBIS) program and SMS services by speech pathologists. Funds represent net earnings from CEBIS workshops, consulting and SMS insurance payments. The CEBIS funds are to be used to offset expenses that are not funded by grants. The SMS funds are to be used to service speech patients after the yearly grant funds from the NH Bureau of Special Medical Services have been expended.

13. Employee Benefit Plan

Defined Contribution Plan

The Organization sponsors a defined contribution plan (the Plan) covering all employees age 18 and over, with at least one consecutive year of service who agree to make contributions to the Plan. The Organization has the option of making a discretionary matching contribution. Total expense for the year ended June 30, 2012, was approximately \$ 4,000.

14. Operating Leases

The Organization leases office equipment under various lease agreements. Equipment rental expense totaled \$ 32,142 for the year ended June 30, 2012.

15. Fair Value Measurements

FASB ASC, *Fair Value Measurements*, provides guidance for using fair value to measure assets and liabilities. *Fair Value Measurements* applies whenever other standards require or permit assets or liabilities to be measured at their fair market value. The standard does not expand the use of fair value in any new circumstances. Under *Fair Value Measurements*, fair value refers to the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. *Fair Value Measurements* clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions.

Under *Fair Value Measurements*, the Organization categorizes its fair value estimates based on a hierarchical framework associated with three levels of price transparency utilized in measuring financial instruments at fair value. Classification is based on the lowest level of input that is significant to the fair value of the instrument. The three levels are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of financial instruments included in Level 1 are highly liquid instruments with quoted prices;
- Level 2 - Inputs from active markets, other than quoted prices for identical instruments, are used to model fair value. Significant inputs are directly observable from active markets for substantially the full term of the asset or liability being valued; and

- Level 3 - Pricing inputs significant to the valuation are unobservable. Inputs are developed based on the best information available; however, significant judgment is required by management in developing the inputs.

The estimated fair value of the Organization's financial instruments is presented in the following table:

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>
Investments	\$ <u>461,816</u>	\$ <u>461,816</u>	\$ <u>461,816</u>	\$ <u>-</u>	\$ <u>-</u>
Total assets	\$ <u>461,816</u>	\$ <u>461,816</u>	\$ <u>461,816</u>	\$ <u>-</u>	\$ <u>-</u>
Bond payable	\$ <u>4,815,000</u>	\$ <u>4,815,000</u>	\$ <u>-</u>	\$ <u>4,815,000</u>	\$ <u>-</u>
Total liabilities	\$ <u>4,815,000</u>	\$ <u>4,815,000</u>	\$ <u>-</u>	\$ <u>4,815,000</u>	\$ <u>-</u>

The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of those financial instruments.

The carrying amount of notes payable approximates fair value because the financial instrument bears interest at a fixed rate that materially approximates current market rates for notes with similar maturities and credit quality.

SOUTHEASTERN REGIONAL EDUCATION SERVICE CENTER, INC.

Schedule of Functional Expenses
 For the Year Ended June 30, 2012
 (with comparative totals for the year ended June 30, 2011)

	Program Services	Administration	2012 Total	2011 Total
Personnel expense:				
Salaries and wages	\$ 2,961,215	\$ 245,772	\$ 3,206,987	\$ 3,080,943
Employee benefits	449,346	37,293	486,639	552,394
Payroll taxes	237,136	39,461	276,597	263,223
Retirement plan contributions	4,000	-	4,000	78,048
Contract services	1,896,840	82,059	1,978,899	1,900,325
Supplies	319,098	138,450	457,548	394,852
Interest	-	217,353	217,353	249,275
Depreciation	-	245,512	245,512	236,372
Repairs and maintenance	52,765	97,644	150,409	175,946
Travel	100,984	4,234	105,218	115,906
Utilities	21,758	76,794	98,552	106,809
Communications	52,324	38,520	90,844	75,748
Insurance	6,000	20,376	26,376	40,679
Rent	3,029	29,113	32,142	36,396
Professional fees	-	26,809	26,809	17,997
Miscellaneous	11,041	5,164	16,205	12,589
Equipment	19,625	853	20,478	12,000
Advertising	5,997	3,044	9,041	9,247
Printing	2,156	-	2,156	-
Postage	100	1,601	1,701	-
Bad debt	-	2,695	2,695	-
Indirect costs	95,824	(95,824)	-	-
Total Functional Expenses	\$ 6,239,238	\$ 1,216,923	\$ 7,456,161	\$ 7,358,749

See Independent Auditors' Report.



Southeastern Regional Education Service, Inc.

Inspiring innovation and excellence in education and professional practice.

29 Commerce Drive
Bedford, NH 03110
Phone: 603-206-6800
Fax: 603-434-3891
www.seresc.net

RICHARD LaSALLE
Executive Director

SERESC's Mission

Inspiring innovation and excellence in
education and professional practice.

KEY ADMINISTRATIVE PERSONNEL

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

Agency Name: Southeastern Regional Education Service Center

Name of Bureau/Section: Preschool Technical Assistance Network

BUDGET PERIOD:		SFY 1st half	2014
Name & Title Key Administrative Personnel	Annual Salary Of Key Administrative Personnel	Percentage of Salary Paid By Contract	Total Salary Amount Paid By Contract
Joan Izen, Project Director	\$91,852	19.03%	\$17,475.50
Richard LaSalle, Executive Director	\$100,000	0.00%	\$0.00
Jeffrey Wallace, Business Manager	\$65,000	0.00%	\$0.00
		0.00%	\$0.00
		0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$17,475.50

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



SERESC

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Fax: 603-434-3891
www.seresc.net

RICHARD LaSALLE
Executive Director

2012-2013 SERESC BOARD OF DIRECTORS

SAU #12 – Londonderry, 268C Mammoth Road, Londonderry, NH 03053

Mr. Nathan Greenberg, Superintendent
Mr. Stephen Young, School Board Representative

SAU #15 – Candia, Auburn, Hooksett, 90 Farmer Road, Hooksett, NH 03106

Dr. Charles P. Littlefield, Superintendent
Mr. Brian D'Amelio, School Board Representative – Auburn
Ms. Emily Roster, School Board Representative – Candia
Ms. Cheryl Akstin, School Board Representative – Hooksett

SAU #25 – Bedford, 103 County Road, Bedford, NH 03110

Mr. Timothy Mayes, Superintendent
Mr. Don Graff, School Board Representative

SAU #26 – Merrimack, 36 McElwain Street, Merrimack, NH 03054

Ms. Marjorie Chiafery, Superintendent
Mr. Andy Schneider, School Board Representative

SAU #27 – Litchfield, 1 Highlander Court, Litchfield, NH 03052-8401

Dr. D. Brian Cochran, Superintendent
Mr. John York, School Board Representative

SAU #28 – Pelham/Windham, P.O. Box 510, Windham, NH 03087

Dr. Henry LaBranche, Interim Superintendent
Mr. Brian Carton, School Board Representative – Pelham
Mr. Jerome Rekart, School Board Representative – Windham

SAU #55 – Timberlane/Hampstead, 30 Greenough Road, Plaistow, NH 03865

Dr. Earl Metzler, Superintendent
Mr. Michael Mascola, School Board Representative – Timberlane
Ms. Judy Graham, School Board Representative – Hampstead

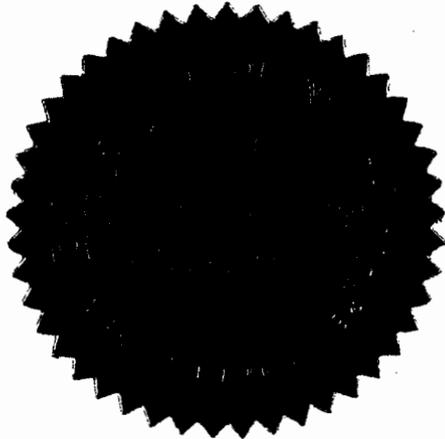
SAU #81 – Hudson, 20 Library Street, Hudson, NH 03051

Mr. Bryan Lane, Superintendent
Dr. Amy Sousa, School Board Representative

State of New Hampshire
Department of State

CERTIFICATE

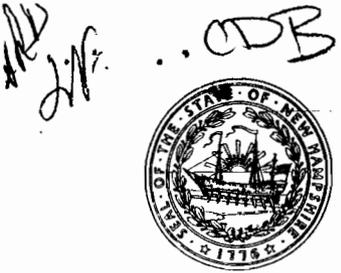
I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SOUTHEASTERN REGIONAL EDUCATIONAL SERVICE CENTER is a New Hampshire nonprofit corporation formed August 6, 1974. I further certify that it is in good standing as far as this office is concerned, having filed 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 March A.D. 2013

A handwritten signature in black ink, appearing to read "William M. Gardner", written in a cursive style.

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

April 29, 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 # 107

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to exercise a renewal option (Purchase Order # 1000056) with Southeastern Regional Education Services Center, Inc., (Vendor #154866 B001) 29 Commerce Drive, Bedford, NH 03110 by increasing the price limitation by \$260,000.00 from \$340,000.00 to \$600,000.00 and extending the completion date from June 30, 2011 to June 30, 2013 for the provision of training and technical assistance to parents and providers caring for children with special needs effective July 1, 2011. Governor and Council approved the original agreement on June 17, 2009, Item #116. Funds to support this request are anticipated to be available in the following account in SFY 2012 and SFY 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.

05-95-40-403510-56890000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS,
 HHS: CHILDREN AND YOUTH, CHILD DEVELOPMENT, CHILD CARE DVLP-QUALITY ASSURE

Class/Object	Title	Activity Code	State Fiscal Year	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
102-500734	Contracts For Program Services	40035201	2010	\$170,000.00	\$0.00	\$170,000.00
102-500734	Contracts For Program Services	40035201	2011	\$170,000.00	\$0.00	\$170,000.00
102-500734	Contracts For Program Services	40035201	2012	\$0.00	\$130,000.00	\$130,000.00
102-500734	Contracts For Program Services	40035201	2013	\$0.00	\$130,000.00	\$130,000.00
Subtotal				\$340,000.00	\$260,000.00	\$600,000.00

EXPLANATION

New Hampshire is federally required by 45 CFR 98.51 to use Federal Child Care Development Funds to increase the availability, accessibility, and quality of child care programs throughout the State. These expenditures are required to maintain federal funding for the NH Child Care Scholarship Program that provides child care subsidies to families to help them continue working or participating in a job search activity. This requested action meets the conditions of the federal mandate through the a statewide program that provides

training and technical assistance to providers and parents to support the inclusion of children with special needs in child care programs. The purpose of this Agreement is to lower the expulsion rate of children with challenging behaviors from child care programs.

New Hampshire's children and their families benefit from quality services that provide an alternative to expulsion from a child care program. The consequences of expulsion have implications for parental employment as well as negative outcomes for children. When children are expelled, parents are not able to work or engage in a Temporary Assistance for Needy Families approved activity. For foster families, the choice between employment and fostering may result in the child's requiring options that are more costly. Low-income families will also benefit by the continuance of available child care subsidies provided through the NH Child Care Scholarship Program.

Should Governor and Council not authorize this Request the number of children expelled from child care programs may increase, resulting in barriers to a parent's ability to remain employed or participate in a job search activity. Additionally, federal sanctions could result in a reduction in federal funds to support the Child Care Scholarship Program resulting in financial hardship for families dependent on subsidized child care to remain employed or participating in a job search activity.

This contractor was selected through a competitive bid process. The Department issued a Request for Proposal published on the Department's website and in the New Hampshire Union Leader on December 18, 19 and 20, 2008. A Bidders Conference was held on January 16, 2009 and two prospective bidders were represented. Southeastern Regional Education Services Center, Inc. was the only agency to submit a proposal. The evaluation criteria is attached that fully described the factors that were utilized in assessing the effectiveness of proposals received. The Division formed a multi-discipline Evaluation Committee that reviewed Southeastern Regional Education Services Center's proposal; it scored an average of 145 points, out of a possible 200. The scoring summary is attached (Attachment A). After collectively discussing each committee member's comments, the committee recommended awarding an agreement to Southeastern Regional Education Services Center's for the provision of the Child Care Inclusion Program. The Division Director concurred with the Committee's recommendation, based on the factors shared by the Committee, such as the agency's one-on-one consulting/training programmatic approach, identification of the outreach targets for serving NH's child care providers and parents, and demonstrated strong collaboration efforts with other state agencies and local community preschool networks.

The original Request submitted to and approved by Governor and Council June 17, 2009, Item #116 as well as the agreement itself, included a provision for the renewal of this contract for up to two additional years subject to the continued availability of funds, satisfactory performance of services and approval by Governor and Executive Council. At this time the vendor has been determined to have met the satisfactory performance of services and the Division is now requesting that the Governor and Executive Council approve a two-year extension of this contract.

The Agreement has overall performance measures with negotiated goals to determine the success of the contract. Performance measures include:

- The percentage of children identified as "at risk for expulsion" by the child care program that are still enrolled in the program three to six months after the completion of services delivered by this contract; and
- The percentage of staff turnover at child care programs that receive services delivered by this contract (excluding leaving for program changes unrelated to a child's special needs);

Goals will be evaluated on a quarterly basis and performance that does not meet the negotiated expectations may result in financial penalties or a termination of the contract as described and authorized in the P-37 agreement.

Source of Funds: 100% Federal Department of Health and Human Services Funds.

Area Served: Statewide.

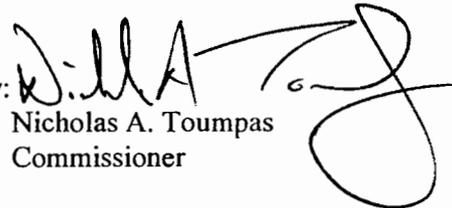
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Maggie Bishop
Director

Approved by:



Nicholas A. Toumpas
Commissioner

AMENDMENT #1

This Agreement (hereinafter called the "Amendment") dated this 14th day of April 2011, by and between the State of New Hampshire, acting by and through its Division for Children, Youth and Families of the Department of Health and Human Services (herein after referred to as ("the Department") and Southeastern Regional Education Service Center, Inc., Bedford, NH (herein after referred to as the "Provider").

WHEREAS, pursuant to an Agreement (hereinafter called the "Agreement") dated April 27, 2009 and approved by the Governor and Executive Council on June 17, 2009 (Item #116), the Provider agreed to perform certain services upon the terms and conditions specified in the Agreement and in consideration of payment by the Department of certain sums as specified therein; and WHEREAS, pursuant to the provisions of Section 17 of the Agreement, the Agreement may be amended, waived or discharged only by a written instrument executed by the parties thereto; and WHEREAS, the Provider and the Department have agreed to amend the Agreement in certain respects;

1. Amendment and Modification of Agreement:

The Agreement is hereby amended as follows:

- Form P-37, Item 1.7, Completion Date, shall be amended to read "06/30/2013";
- Item 1.8, Price Limitation, shall be amended to read "\$600,000.00";
- Exhibit A, Scope of Services, as attached;
- Exhibit B, Method, Schedule, and Conditions Precedent to Payment, shall be amended to read: Program Period: "January 1, 2010 – June 30, 2013";
- Exhibit B, Method, Schedule, and Conditions Precedent to Payment, shall be amended to read: "...Child Care Development Block Grant, in the amount of \$600,000.00..."; and
- Exhibit B, Method, Schedule, and Conditions Precedent to Payment, shall be amended to read: "...the amount not to exceed "\$600,000.00.00 (six-hundred thousand dollars)...".

2. Effective Date of Amendment:

This Amendment shall be effective July 1, 2011.

3. Continuance of Agreement:

Except as specifically amended and modified by the terms and conditions of this Amendment, the Agreement, and the obligations of the parties there under, shall remain in full force and effect in accordance with the terms and conditions set forth herein.

IN WITNESS WHEREOF, the parties have here unto set their hands as of the date and year first above written.

Southeastern Regional Education Service Center, Inc.

By: Richard Myers
Signature

Dr. Richard Myers, Acting Executive Director
Signor Name and Title

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 14th day of April, 2011.

Donna Anderson
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 9/9/2014

DONNA ANDERSON, Notary Public
My Commission Expires September 9, 2014
THE STATE OF NEW HAMPSHIRE
Division for Children, Youth and Families

By: Maggie Bishop
Maggie Bishop, Director

Approved by the Attorney General (Form, Substance and Execution) this

27 day of April, 2011.

By: Jeanne P. Herick
Attorney General Jeanne P. Herick

Approved by the Governor and Executive Council this

_____ day of _____, 2011.

Contractor Initials: RA

Date: 4/14/11

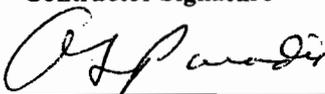
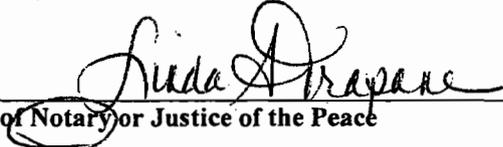
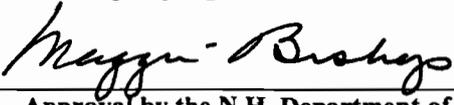
Subject: Child Care Inclusion Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Dept. of Health and Human Services Division for Children, Youth & Families Child Development Bureau		1.2 State Agency Address 129 Pleasant St. Concord, NH 03301	
1.3 Contractor Name Southeastern Regional Education Service Center, Inc.		1.4 Contractor Address 29 Commerce Drive Bedford, NH 03110	
1.5 Contractor Phone Number 603-206-6800	1.6 Account Number 010-040-5689-102-0734	1.7 Completion Date 6/30/2011	1.8 Price Limitation \$340,000.00
1.9 Contracting Officer for State Agency Patrick McGowan		1.10 State Agency Telephone Number 603-271-4843	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Antonio G. PARADIS, Executive Director	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>April 29, 2009</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 		My commission expires <u>5/5/09</u>	
1.13.2 Name and Title of Notary or Justice of the Peace Linda A. Trapane			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Maggie Bishop, Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>5/18/09</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

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

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

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

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

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

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

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

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES

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

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

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

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

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

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

14. INSURANCE.

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

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

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

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

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

Contractor Initials: CP
Date: 4/29/09

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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



CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)
 03/15/13

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 Brown & Brown (Merrimack) 309 Daniel Webster Highway Merrimack, NH 03054 Mark Cote	603-424-9901 603-424-3203	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: FAX (A/C, No):														
INSURED Southeastern Regional Ed Service Ctr Inc. 29 Commerce Drive Bedford, NH 03110		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: Citizens Ins Co Of America</td> <td>31534</td> </tr> <tr> <td>INSURER B: Massachusetts Bay Insurance Co</td> <td>22306</td> </tr> <tr> <td>INSURER C: *Hanover Insurance Company</td> <td>22292</td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Citizens Ins Co Of America	31534	INSURER B: Massachusetts Bay Insurance Co	22306	INSURER C: *Hanover Insurance Company	22292	INSURER D:		INSURER E:		INSURER F:	
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INSURER D:																
INSURER E:																
INSURER F:																

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			ZBV962677700	07/01/12	07/01/13	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	X					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 \$ Included
A	AUTOMOBILE LIABILITY			ABV9626162	07/01/12	07/01/13	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS						BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	UMBRELLA LIAB			UHV9636434	07/01/12	07/01/13	EACH OCCURRENCE \$ 3,000,000
	<input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0	X					<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE AGGREGATE \$ 3,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WDV962085600	07/01/12	07/01/13	WC STATU-TORY LIMITS OTH-ER
	<input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES [Attach ACORD 101, Additional Remarks Schedule, if more space is required]
 Certificate holder is included as additional insured with regards to General Liability per written contract [GL endorsement 421-0363 (02/11)].

CERTIFICATE HOLDER NH Department of Health and Human Services, Thayer Building 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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