



Jeffrey A. Meyers  
Commissioner

Melissa Hatfield  
Director

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF ECONOMIC & HOUSING STABILITY  
BUREAU OF HOUSING SUPPORTS

129 PLEASANT STREET, CONCORD, NH 03301-3857  
603-271-9196 1-800-852-3345 Ext. 9196  
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November 27, 2018

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

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Division of Economic and Housing Stability, Bureau of Housing Supports to enter into **sole source** agreements with the vendors below to provide permanent housing programs to homeless individuals and families through the Federal Continuum of Care program in an amount not to exceed \$278,923, effective January 01, 2019, upon Governor and Executive Council approval, through December 31, 2019. 100% Federal Funds.

Vendor	Project Name	Area Served	Vendor #	SFY 2019	SFY 2020	Total Amount
FIT/NHNH, Inc.	Home at Last Permanent Housing	Statewide	157730-B001	\$85,865	\$81,739	\$167,604
Southwestern Community Services, Inc.	Rapid Rehousing Permanent Housing	Cheshire & Sullivan Counties	177511-R001	\$57,027	\$54,292	\$111,319
			<b>Total</b>	<b>\$142,892</b>	<b>\$136,031</b>	<b>\$278,923</b>

Funds are available in the following account in State Fiscal Year 2019, and are anticipated to be available in State Fiscal Year 2020 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

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

State Fiscal Year	Class/Account	Title	Amount
2019	102-500731	Contracts for Program Services	\$142,892
2020	102-500731	Contracts for Program Services	\$136,031
		<b>Total</b>	<b>\$278,923</b>

### EXPLANATION

This request is **sole source** because federal regulations require the Department to specify each vendor's name during the annual federal Continuum of Care program renewal application process, prior to the grant award being issued. The U.S. Department of Housing and Urban Development reviews the applications and subsequently awards funding based on its criteria. The application process and timing of grant terms do not align with state or federal fiscal years. Continuum of Care program grant start dates, and subsequent renewal approval requests, occur in various months throughout the year because their timing is determined by the month in which each grant's original federal agreement was issued.

The attached agreements represent two (2) of thirty (30) total agreements, all of which have renewal dates dispersed throughout the calendar year with vendors who are located throughout the state to ensure statewide delivery of housing services through New Hampshire's Continuum of Care Program.

Based on the continued receipt and availability of federal funds, and pursuant to this agreement, the vendors will utilize Continuum of Care funds to provide permanent housing programs, supportive services and associated administrative services to promote the ability of homeless individuals and families to live more independently.

The U.S. Department of Housing and Urban Development established the Continuum of Care concept to support communities in their efforts to address the problems of housing and homelessness in a coordinated, comprehensive, and strategic fashion. The Continuum of Care serves three main purposes:

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

The following performance measures and objectives will be used to evaluate the effectiveness of the agreement:

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

Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 biennium.

Should the Governor and Executive Council not authorize this request, permanent housing and supportive services for homeless individuals and their families may not be available in their communities, and there may be an increase in demand for services placed upon the region's local welfare authorities. It may also cause individuals and/or families to become homeless.

Source of funds: 100% Federal Funds from the U.S. Department of Housing and Urban Development, Office of Community Planning and Development, Catalog of Federal Domestic Assistance Number (CFDA) #14.267.

Area served: Statewide.

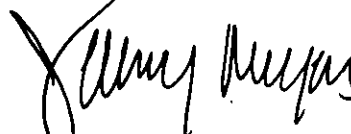
In the event that the federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,



Mark F. Jewell  
Director, Division of Economic and  
Housing Stability

Approved by:



Jeffrey A. Meyers  
Commissioner


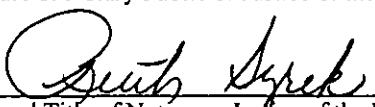

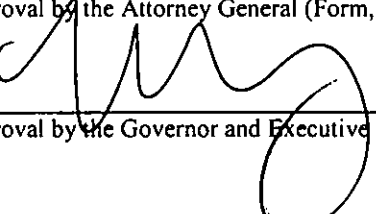
Subject: Continuum of Care, FIT/NH, Inc., Home at Last Permanent Housing, SS-2019-BHHS-03-Perma-13

**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS****1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> Department of Health and Human Services		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301	
<b>1.3 Contractor Name</b> FIT/NH, Inc.		<b>1.4 Contractor Address</b> 122 Market Street Manchester, NH 03101	
<b>1.5 Contractor Phone Number</b> (603) 641-9441	<b>1.6 Account Number</b> 05-95-42-423010-7927 102-500731	<b>1.7 Completion Date</b> December 31, 2019	<b>1.8 Price Limitation</b> \$167,604
<b>1.9 Contracting Officer for State Agency</b> Nathan D. White Director Contracts and Procurement		<b>1.10 State Agency Telephone Number</b> (603) 271-9631	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> Maureen Beauregard, President	
<b>1.13 Acknowledgement:</b> State of New Hampshire County of Hillsborough On November 20, 2018, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b> 			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b> Ruth Syrek, Admin. Asst., Notary Public		<b>RUTH A. SYREK, Notary Public</b> My Commission Expires September 8, 2023	
<b>1.14 State Agency Signature</b> 		<b>1.15 Name and Title of State Agency Signatory</b> MARK JEWELL, DEHS DIR	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable)</b> By:  On: 11/29/18			
<b>1.18 Approval by the Governor and Executive Council (if applicable)</b> By: _____ On: _____			

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

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("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. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. 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 notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and 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 \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form 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 thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) 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 unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

#### 19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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



Exhibit A

**SCOPE OF SERVICES**

**Permanent Housing Program**

**1. Provisions Applicable to All Services**

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the services described herein, the State, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date; submitted to:  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this agreement, the Department has identified the Contractor as a subrecipient, in accordance with 2 CFR 200.0. et seq.
- 1.5. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 biennium.
- 1.6. Notwithstanding the confidentiality procedures established under 24 CFR Part 578.103(b), HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the Contractor that are pertinent to the Continuum of Care grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.
- 1.7. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 Notice of Funding Available (NOFA) Continuum of Care Project Application approved by HUD.
- 1.8. The Contractor shall provide services according to HUD regulations as outlined in Public Law 102-550 and 24 CFR Part 578: Continuum of Care Program and other written HUD policies and directives as appropriate.
- 1.9. All programs shall be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs shall follow NH HMIS policy, including specific information required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.





Exhibit A

- 1.10. The Contractor shall cooperate fully with and answer all questions, related to this contract, of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.
- 1.11. The Contractor shall support the primary goal of this program which is to facilitate the movement of homeless and chronically homeless individuals and families to permanent housing and maximum self-sufficiency.

**2. Scope of Services**

- 2.1. The Contractor shall implement a Coordinated Entry System (CES) for all projects funded by the CoC Program, ESG Program, and HOPWA Program, in accordance with the CoC Program interim rule, 24 CFR Part 578.
- 2.2. The Contractor shall provide a permanent housing program that is targeted to serve twelve (12) chronically homeless participants, and which includes but is not limited to:
  - 2.2.1. Utilization of the "Housing First" model, ensuring barriers to entering housing are not imposed beyond those required by regulation or statute, and will only terminate project participation for the most severe reasons once available options have been exhausted to help a participant maintain housing.
  - 2.2.2. The development of a stabilization plan and crisis management plan with the participant, at intake and, at a minimum, annually. An ongoing Assessment of Housing and Supportive Services is required, with the ultimate goal being assistance to the participant in obtaining the skills necessary to live in the community independently.
- 2.3. The Contractor shall establish and maintain standard operating procedures to ensure CoC program funds are used in accordance with 24 CFR 578 and must establish and maintain sufficient records to enable HUD and BHS to determine Contractor requirement compliance, including:
  - 2.3.1. Continuum of Care records: The Contractor shall maintain the following documentation related to establishing and operating a CoC:
    - 2.3.1.1. Records of Homeless Status. The Contractor shall maintain acceptable evidence of homeless status in accordance with 24 CFR 576.500(b).
    - 2.3.1.2. Records of at risk of Homelessness status: The Contractor shall maintain records that establish "at risk of homelessness" status of each individual or family who receives CoC homelessness prevention assistance, as identified in 24 CFR 576.500(c).
    - 2.3.1.3. Records of reasonable belief of imminent threat of harm. The Contractor shall maintain documentation of each program participant who moved to a different CoC due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking as defined in 24 CFR 578.51(c)(3). The Contractor shall retain documentation that includes, but is not limited to:
      - 2.3.1.3.1 The original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household.



Exhibit A

- 2.3.1.3.2 The reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.
  - 2.3.1.4. Records of Annual income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the Contractor must keep the following documentation of annual income:
    - 2.3.1.4.1. Income evaluation form specified by HUD and completed by the Contractor; and
    - 2.3.1.4.2. Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement) for the assets held by the program participant and income received before the date of the evaluation;
    - 2.3.1.4.3. To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the Contractor's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or
    - 2.3.1.4.4. To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the three (3) month period following the evaluation.
  - 2.3.1.5. Program participant records. In addition to evidence of homelessness status or at-risk-of-homelessness status, as applicable, the Contractor must keep records for each program participant that document:
    - 2.3.1.5.1. The services and assistance provided to that program participant, including evidence that the Contractor has conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in 24 CFR 578.37(a)(1)(ii)(F); and
    - 2.3.1.5.2. Where applicable, compliance with the termination of assistance requirement in 24 CFR 578.91.
  - 2.3.1.6. Housing standards. The Contractor must retain documentation of compliance with the housing standards in 24 CFR 578.75(b), including inspection reports.
  - 2.3.1.7. Services provided. The Contractor must document the types of supportive services provided under the Contractor's program and the amounts spent on those services. The Contractor must keep documentation that these records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.
- 2.4. The Contractor shall maintain records that document compliance with:
- 2.4.1. The organizational conflict-of-interest requirements in 24 CFR 578.95(c).

*MB*



Exhibit A

- 2.4.2. The Continuum of Care Board conflict-of-interest requirements in 24 CFR 578.95(b).
- 2.4.3. The other conflict requirements in 24 CFR 578.95(d).
- 2.5. The Contractor shall develop, implement and retain a copy of the personal conflict-of-interest policy that complies with the requirements in 24 CFR 578.95, including records supporting any exceptions to the personal conflict-of-interest prohibitions.
- 2.6. The Contractor shall comply and retain documentation of compliance with:
  - 2.6.1. The homeless participation requirements in accordance with 24 CFR 578.75(g).
  - 2.6.2. The faith-based activities requirements in accordance with 24 CFR 578.87(b).
  - 2.6.3. Affirmatively Furthering Fair Housing by maintaining copies of all marketing, outreach, and other materials used to inform eligible persons of the program in accordance with 24 CFR 578.93(c).
  - 2.6.4. Other federal requirements in 24 CFR 578.99, as applicable.
  - 2.6.5. Other records specified by HUD. The Contractor must keep other records as specified by HUD.
  - 2.6.6. The Contractor must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR part 84.
- 2.7. Confidentiality. In addition to meeting the specific confidentiality and security requirements for HMIS data (76 FR 76917), the Contractor shall develop and implement written procedures to ensure:
  - 2.7.1. All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance shall be kept secure and confidential;
  - 2.7.2. The address or location of any family violence project assisted with Continuum of Care funds shall not be made public, except with written authorization of the person responsible for the operation of the project; and
  - 2.7.3. The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality;
- 2.8. Period of record retention. The Contractor shall ensure all records, originals or copies made by microfilming, photocopying, or other similar methods, pertaining to Continuum of Care funds are retained for the greater of five (5) years following the Contract Completion Date and receipt of final payment by the Contractor or the period specified below:
  - 2.8.1. Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for five (5) years after the expenditure of all funds from the grant under which the program participant was served; and
  - 2.8.2. Where Continuum of Care funds are used for the acquisition, new construction, or rehabilitation of a project site, records must be retained until fifteen (15) years after the date that the project site is first occupied, or used, by program participants.

**3. Program Reporting Requirements**

- 3.1. The Contractor shall submit the following reports:

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Exhibit A

- 3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Contract Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the Contractor is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and
- 3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement.
- 4.3. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.

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Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**1. Permanent Housing Program Funding**

- 1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Contractor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.
- 1.2. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:
  - 1.2.1. NH General Fund: 0%
  - 1.2.2. Federal Funds: 100%
  - 1.2.3. CFDA #: 14.267
  - 1.2.4. Grant Number: NH0081L1T001704
  - 1.2.5. Federal Agency: U.S. Department of Housing & Urban Development (HUD)
  - 1.2.6. Program Title: Continuum of Care, Permanent Housing
  - 1.2.7. Total Amount Continuum of Care;
    - 1.2.7.1. January 1, 2019 – December 31, 2019: not to exceed \$167,604
  - 1.2.8. Funds allocation under this agreement for Continuum of Care Program;
    - 1.2.8.1. Administrative Expenses: \$4,125
    - 1.2.8.2. Rental Assistance: \$120,048
    - 1.2.8.3. Supportive Services: \$43,431
    - 1.2.8.4. Total program amount: \$167,604
- 1.3. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

**2. Financial Reports**

- 2.1. As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:
  - 2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200.
  - 2.1.2. One (1) copy of the audited financial report within thirty (30) days of the completion of said report to the State at the following address:  
NH DHHS  
Bureau of Housing Supports  
129 Pleasant Street  
Concord, NH 03301
- 2.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

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Exhibit B

- 2.3. If the Contractor is not subject to the requirements of 2 CFR part 200, the Contractor shall submit one (1) copy of an audited financial report to the Department utilizing the guidelines set forth by the Comptroller General of the United States in 'Standards for Audit of Governmental Organizations, Program Activities, and Functions,' within ninety (90) days after contract completion date.

**3. Project Costs: Payment Schedule: Review by the State**

- 3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of 2 CFR part 200.
- 3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 24 CFR 578.87(c).
- 3.3. Match Funds:
- 3.3.1. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73.
- 3.3.2. The Contractor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.
- 3.3.3. Match requirements are to be documented with each payment request.
- 3.3.4. The Contractor must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578. The Contractor shall:
- 3.3.4.1. Maintain records of the source and use of contributions made to satisfy the match requirement in 24 CFR 578.73.
- 3.3.4.2. Ensure records indicate the grant and fiscal year for which each matching contribution is counted.
- 3.3.4.3. Ensure records include methodologies that specify how the values of third party in-kind contributions were derived.
- 3.3.4.4. Ensure records include, to the extent feasible, volunteer services that are supported by the same methods used to support the allocation of regular personnel costs.
- 3.4. Payment of Project Costs:
- 3.4.1. The State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement, subject to the availability of sufficient funds.



**Exhibit B**

- 3.4.2. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Contractor must have written approval from the State prior to billing for any other expenses.
- 3.4.3. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of Public Law 102-550 and other applicable regulations.
- 3.4.4. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550), in an amount and time period not to exceed as specified in section 1.2 Exhibit B.
- 3.4.5. Schedule of Payments:
  - 3.4.5.1. Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required as designated by the State, which shall be completed and signed by the Contractor.
  - 3.4.5.2. The Contractor shall keep records of their activities related to Department programs and services, and shall provide such records and any additional financial information if requested by the State to verify expenses.
  - 3.4.5.3. Failure to submit required reports in Exhibit A, Scope of Services or Exhibit B, Methods and Conditions Precedent to Payment, or enter data into NH-HMIS, as specified in Exhibit A, Scope of Services, in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
  - 3.4.5.4. Invoices shall be submitted promptly to the address listed above in section 2.1.2. Exhibit B.
  - 3.4.5.5. The final invoice shall be due to the State no later than forty (40) days after the contract completion date.

**3.5. Review of the State Disallowance of Costs:**

- 3.5.1. At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date.
- 3.5.2. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Contractor of any such disallowance.
- 3.5.3. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture.

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Exhibit B

**4. Use Of Grant Funds**

- 4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.

**5. Expense Eligibility**

- 5.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Continuum of Care Program funds specified in this Exhibit B from the HUD Continuum of Care Program, for contract services.

**5.2. Operating Expenses:**

5.2.1. Eligible operating expenses include:

- 5.2.1.1. Maintenance and repair of housing.
- 5.2.1.2. Property taxes and insurance (including property and car).
- 5.2.1.3. Scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost).
- 5.2.1.4. Building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds.
- 5.2.1.5. Utilities, including electricity, gas and water.
- 5.2.1.6. Furniture and equipment.

5.2.2. Ineligible costs include:

- 5.2.2.1. Rental assistance and operating costs in the same project.
- 5.2.2.2. Operating costs of emergency shelter and supportive service-only facilities.
- 5.2.2.3. Maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

**5.3. Supportive Services**

- 5.3.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53, and are available to individuals actively participating in the permanent housing program.

5.3.2. Eligible costs shall include:

- 5.3.3. Annual assessment of Service Needs. The costs of the assessment required by 578.53(a) (2).
- 5.3.4. Assistance with moving costs. Reasonable one-time moving costs are eligible and include truck rental and hiring a moving company.
- 5.3.5. Case management. The costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant(s) are eligible costs.
- 5.3.6. Child Care. The costs of establishing and operating child care, and providing child-care vouchers, for children from families experiencing homelessness, including providing

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**Exhibit B**

- meals and snacks, and comprehensive and coordinated developmental activities are eligible.
- 5.3.7. Education Services. The costs of improving knowledge and basic educational skills are eligible.
- 5.3.8. Employment assistance and job training. The costs of establishing and operating employment assistance and job training programs are eligible, including classroom, online and/or computer instruction, on-the-job instruction, services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is also an eligible cost.
- 5.3.9. Food. The cost of providing meals or groceries to program participants is eligible.
- 5.3.10. Housing search and counseling services. Costs of assisting eligible program participants to locate, obtain, and retain suitable housing are eligible.
- 5.3.11. Legal services. Eligible costs are the fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with homeless individual or family's ability to obtain and retain housing.
- 5.3.12. Life Skills training. The costs of teaching critical life management skills that may never have been learned or have been lost during course of physical or mental illness, domestic violence, substance abuse, and homelessness are eligible. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are the budgeting of resources and money management, household management, conflict management, shopping for food and other needed items, nutrition, the use of public transportation, and parent training.
- 5.3.13. Mental Health Services. Eligible costs are the direct outpatient treatment of mental health conditions that are provided by licensed professionals. Component services are crisis interventions; counseling; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.
- 5.3.14. Outpatient health services. Eligible costs are the direct outpatient treatment of medical conditions when provided by licensed medical professionals.
- 5.3.15. Outreach Services. The costs of activities to engage persons for the purpose of providing immediate support and intervention, as well as identifying potential program participants, are eligible.
- 5.3.16. Substance abuse treatment services. The costs of program participant intake and assessment, outpatient treatment, group and individual counseling, and drug testing are eligible. Inpatient detoxification and other inpatient drug or alcohol treatment are ineligible.
- 5.3.17. Transportation Services are described in 24CFR 578(e) (15).
- 5.3.18. Utility Deposits. This form of assistance consists of paying for utility deposits. Utility deposits must be one-time, paid to utility companies.
- 5.3.19. Direct provision of services. If the service described in 24CFR 578.53(e) (1)-(16) of this section is being directly delivered by the recipient or subrecipient, eligible costs for those services are described in 24 CFR 578(e) (17).



Exhibit B

5.3.20. Ineligible costs. Any cost not described as eligible costs under this section is not an eligible cost of providing supportive services using Continuum of Care program funds. Staff training and costs of obtaining professional licensure or certifications needed to provide supportive services are not eligible costs.

5.3.21. Special populations. All eligible costs are eligible to the same extent for program participants who are unaccompanied homeless youth; persons living with HIV/AIDS; and victims of domestic violence, dating violence, sexual assault, or stalking.

5.4. Rental Assistance

5.4.1. Grant funds may be used for rental assistance for homeless individuals and families.

5.4.2. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.

5.4.3. Rental assistance must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a) (9) and 24 CFR 578.51. and may be:

5.4.3.1. Short term, up to 3 months of rent;

5.4.3.2. Medium term, for 3-24 months; or

5.4.3.3. Long-term, for longer than 24 months.

5.4.4. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent.

5.4.5. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.

5.4.6. Rental assistance will only be provided for a unit if the rent is reasonable, as determined by the Contractor, in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.

5.4.7. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits.

5.4.8. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.

5.4.9. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.

5.4.9.1. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium

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**Exhibit B**

term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance.

- 5.4.9.2. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.4.9.3. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.4.9.4. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.

**5.5. Administrative Costs:**

**5.5.1. Eligible administrative costs include:**

- 5.5.1.1. The contractor may use funding awarded under this part, for the payment of project administrative costs related to the planning and execution of Continuum of Care activities. This does not include staff and overhead costs directly related to carrying out activities eligible under 24 CFR 578.43 through 578.57, because those costs are eligible as part of those activities.
- 5.5.1.2. General management, oversight, and coordination. Costs of overall program management, coordination, monitoring and evaluation. These costs include, but are not limited to, necessary expenditures for the following;
- 5.5.1.3. Salaries, wages, and related costs of the staff of the contractor's, or other staff engage in program administration. In charging costs to this category, the contractor may include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The contractor may only use one of these methods for each fiscal year grant. Program administration assignments include the following:
- 5.5.1.4. Preparing program budgets and schedules, and amendments to those budgets and schedules;
- 5.5.1.5. Developing systems for assuring compliance with program requirements;
- 5.5.1.6. Developing interagency agreements and agreements with subrecipients and Contractors to carry out program activities;
- 5.5.1.7. Monitoring program activities for progress and compliance with program requirements;
- 5.5.1.8. Preparing reports and other documents related to the program for submission to HUD;



Exhibit B

- 5.5.1.9. Coordinating the solution of audit and monitoring findings;
- 5.5.1.10. Preparing reports and other documents directly related to the program submission to HUD;
- 5.5.1.11. Evaluating program results against stated objectives;
- 5.5.1.12. Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in sections 5.5.1.4. through 5.5.1.11. above, Exhibit B.
- 5.5.1.13. Travel costs incurred for official business in carrying out the program;
- 5.5.1.14. Administrative services performed under third party contracts or agreements, including such services as general legal services, accounting services, and audit services; and;
- 5.5.1.15. Other costs for goods and services required for administration of the program, including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space.
- 5.5.1.16. Training on Continuum of Care requirements. Costs of providing training on Continuum of Care requirements and attending HUD-Sponsored Continuum of Care trainings.
- 5.5.1.17. Environmental review. Costs of carrying out the environmental review responsibilities under 24 CFR 578.31

5.6. Leasing:

5.6.1. When the contractor is leasing the structure, or portions thereof, grant funds may be used to pay for 100 percent of the costs of leasing a structure or structures, or portions thereof, to provide housing or supportive services to homeless persons for up to three (3) years. Leasing funds may not be used to lease units or structures owned by the contractor, their parent organization, any other related organization(s), or organizations that are members of a partnership, where the partnership owns the structure, unless HUD authorized an exception for good cause.

5.6.2. Requirements:

- 5.6.2.1. Leasing structures. When grants are used to pay rent for all or part of a structure or structures, the rent paid must be reasonable in relation to rents being charged in the area for comparable space. In addition, the rent paid may not exceed rents currently being charged by the same owner for comparable unassisted space.
- 5.6.2.2. Leasing individual units. When the grants are used to pay rent for individual housing units, the rent paid must be reasonable in relation to rents being charged for comparable units, taking into account the location, size, type, quality, amenities, facilities, and management services. In addition, the rents may not exceed rents currently being charged for comparable units, and the rent paid may not exceed HUD-determined fair market rents.
- 5.6.2.3. Utilities. If electricity, gas, and water are included in the rent, these utilities may be paid from leasing funds. If utilities are not provided by landlord, these utility costs are operating costs, except for supportive service facilities. If the structure

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**Exhibit B**

- is being used as a supportive service facility, then these utility costs are a supportive service cost.
- 5.6.2.4. Security deposits and first and last month's rent. The contractor may use grant funds to pay security deposits, in an amount not to exceed 2 months of actual rent. An advance payment of last month's rent may be provided to the landlord in addition to security deposit and payment of the first month's rent.
  - 5.6.2.5. Occupancy agreements and subleases. Occupancy agreements and subleases are required as specified in 24 CFR 578.77(a).
  - 5.6.2.6. Calculation of occupancy charges and rent. Occupancy charges and rent from program participants must be calculated as provided in 24 CFR 578.77.
  - 5.6.2.7. Program income. Occupancy charges and rent collected from program participants are program income and may be used as provided under 24 CFR 578.97.
  - 5.6.2.8. Transition. Refer to 24CFR 578.49(b)(8)
  - 5.6.2.9. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Contractor.
  - 5.6.2.10. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.
  - 5.6.2.11. The Contractor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.
  - 5.6.2.12. Property damages may only be paid from money paid to the landlord for security deposits.
  - 5.6.2.13. The Contractor cannot lease a building that it already owns to itself.
  - 5.6.2.14. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
- 5.7. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.8. The Contractor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

**6. Contractor Financial Management System**

- 6.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
- 6.2. The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require.

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Exhibit B-1 Budget

BUREAU OF HOUSING SUPPORTS  
CoC HOUSING PROGRAM  
Payment Request Form  
2017 NOFA

**For BHS use only**

**Vendor #157730 - B001**  
**Contract # 1058718**                      **Line # 2**  
**Invoice: FITHAL**  
**Descript: NH0081L1T001704**  
**Account: 010-042-7927-102-500731**  
**Add Activities**  
**Amount: \$**  
**Job #**  
**Amount: \$**  
**Job #**  
**Amount: \$**  
**Job #**

Authorizing Signature (provider)

AMOUNT	INITIAL	DATE
\$ -	KS	

Beth Kelly, Financial Manager

Families in Transition HOME AT LAST			Billing Period:		SFY19 \$83,802	SFY20 \$83,802	1
Operating year: 1/1/2019 -12/31/2019							
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
Activity Name	Activity Budget	Payments Processed	Matching funds Applied	Budgeted Balance Available	Requested This Invoice	Match applied this Invoice	New Available Balance
Rental Asst	\$ 120,048.00			\$ 120,048.00			\$ 120,048.00
Supportive Services- Case Mgt.	\$ 43,431.00			\$ 43,431.00			\$ 43,431.00
Administration	\$ 4,125.00			\$ 4,125.00			\$ 4,125.00
25% Match	\$ 41,901.00			\$ 41,901.00			\$ 41,901.00
<b>Total HUD Funding</b>	<b>\$ 167,604.00</b>	<b>\$ -</b>		<b>\$ 167,604.00</b>			<b>\$ 167,604.00</b>
Please pay this amount					\$ -		



### **SPECIAL PROVISIONS**

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

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

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

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

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

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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
  - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
  - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
  - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or

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

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

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

- (a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.
- (b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- (c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.
19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

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

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

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

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

**20. Contract Definitions:**

- 20.1. **COSTS:** Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.
- 20.2. **DEPARTMENT:** NH Department of Health and Human Services.
- 20.3. **PROPOSAL:** If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the services and/or goods to be provided by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.
- 20.4. **UNIT:** For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.
- 20.5. **FEDERAL/STATE LAW:** Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from time to time.
- 20.6. **SUPPLANTING OTHER FEDERAL FUNDS:** Funds provided to the Contractor under this Contract will not supplant any existing federal funds available for these services.

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**REVISIONS TO GENERAL PROVISIONS**

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

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**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

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

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

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

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

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

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

New Hampshire Department of Health and Human Services  
Exhibit D




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

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

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

Contractor Name: FIT- NHHH

November 20, 2018  
Date

  
Name: Maureen Beauregard  
Title: President

Contractor Initials 



**CERTIFICATION REGARDING LOBBYING**

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

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

Programs (indicate applicable program covered):

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

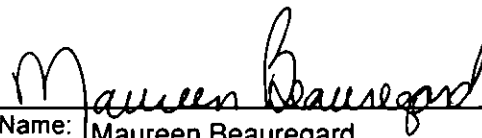
The undersigned certifies, to the best of his or her knowledge and belief, that:

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

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

Contractor Name: FIT-NHNNH

November 20, 2018  
Date

  
Name: Maureen Beauregard  
Title: President



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

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

**INSTRUCTIONS FOR CERTIFICATION**

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





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

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

#### PRIMARY COVERED TRANSACTIONS

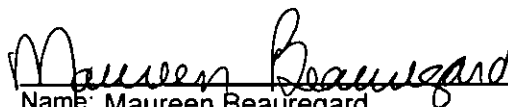
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
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

#### LOWER TIER COVERED TRANSACTIONS

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

Contractor Name: FIT- NHH

November 20, 2018  
Date

  
Name: Maureen Beauregard  
Title: President



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

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

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

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

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

Exhibit G

Contractor Initials

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

New Hampshire Department of Health and Human Services  
Exhibit G



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

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

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

Contractor Name: FIT-NHNNH

November 20, 2018  
Date

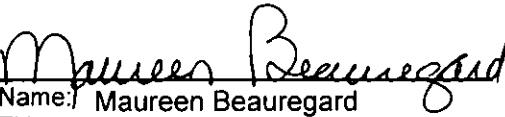
  
Name: Maureen Beauregard  
Title: President

Exhibit G

Contractor Initials 

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



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name: FIT-NHNNH

November 20, 2018

Date

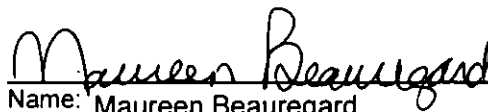
  
Name: Maureen Beauregard  
Title: President



Exhibit I

**HEALTH INSURANCE PORTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

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

**(1) Definitions.**

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

*MB*



Exhibit I

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

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

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

*MB*



Exhibit I

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

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

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

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

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

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



Exhibit I

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

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

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Exhibit I

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

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

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

**(6) Miscellaneous**

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



Exhibit I

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

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

Department of Health and Human Services

The State

  
Signature of Authorized Representative

MARK F. JEWELL  
Name of Authorized Representative

DIRECTOR  
Title of Authorized Representative

11/29/18  
Date

FIT-NHH

Name of the Contractor

  
Signature of Authorized Representative

Maureen Beauregard  
Name of Authorized Representative

President  
Title of Authorized Representative

November 20, 2018  
Date





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

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

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

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

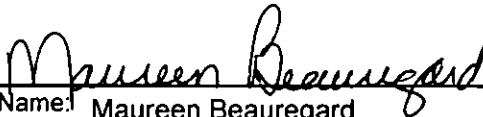
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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

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

Contractor Name: FIT-NHHH

November 20, 2018  
Date

  
Name: Maureen Beauregard  
Title: President

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

1. The DUNS number for your entity is: 825360399
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

X NO YES

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

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

NO YES

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

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

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

# New Hampshire Department of Health and Human Services

## Exhibit K

### DHHS Information Security Requirements



#### A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

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

**Exhibit K**

**DHHS Information Security Requirements**



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

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# New Hampshire Department of Health and Human Services

## Exhibit K

### DHHS Information Security Requirements



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

## II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

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wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

### III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

#### A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

Handwritten initials, possibly "AD3", written over a horizontal line.



# New Hampshire Department of Health and Human Services

## Exhibit K

### DHHS Information Security Requirements



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

#### B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

#### IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
  1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
  2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

A handwritten signature in black ink, appearing to be "NAB", is written over the "Contractor Initials" label.

# New Hampshire Department of Health and Human Services

## Exhibit K

### DHHS Information Security Requirements

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3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

*MB*

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

**Exhibit K**

**DHHS Information Security Requirements**



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

A handwritten signature in black ink, appearing to be "JAD", is written over a horizontal line.



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

## V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

A handwritten signature in black ink, appearing to be "RAB", is written over the "Contractor Initials" label.

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

**Exhibit K**

**DHHS Information Security Requirements**

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5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

**A. DHHS Privacy Officer:**

DHHSPrivacyOfficer@dhhs.nh.gov

**B. DHHS Security Officer:**

DHHSInformationSecurityOffice@dhhs.nh.gov

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# State of New Hampshire

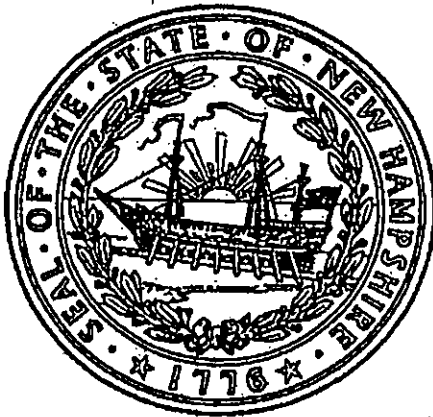
## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FIT/NHNNH, INC is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 13, 1994. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 207982

Certificate Number: 0004088815



IN TESTIMONY WHEREOF,  
I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 26th day of April A.D. 2018.

A handwritten signature in cursive script, reading "William M. Gardner".

William M. Gardner  
Secretary of State

## CERTIFICATE OF VOTE

I, Dick Anagnost, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of FIT-NHHH  
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of  
the Agency duly held on November 20, 2018:  
(Date)

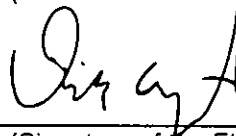
**RESOLVED:** That the President  
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of  
the 20 day of November, 2018.  
(Date Contract Signed)

4. Maureen Beauregard is the duly elected President  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.



(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 20 day of November, 2018.

By Dick Anagnost  
(Name of Elected Officer of the Agency)



(Notary Public/Justice of the Peace)

(NOTARY SEAL)

**RUTH A. SYREK, Notary Public**  
**My Commission Expires September 5, 2021**

Commission Expires: \_\_\_\_\_



FAMIINT-01

DBEAUDON

## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
03/01/2018

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 have ADDITIONAL INSURED provisions or 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 Davis & Towle Morrill & Everett, Inc. 115 Airport Road Concord, NH 03301	CONTACT PHONE (A/C, No, Ext): (603) 225-6611 FAX (A/C, No): (603) 225-7935 E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE: INSURER A: Selective Insurance Group Inc. INSURER B: Granite State Health Care & Human Services Self Insured Group INSURER C: INSURER D: INSURER E: INSURER F:
INSURED  Families in Transition, Inc. 122 Market St Manchester, NH 03101	NAIC #

## 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 INSD	SUBR WVR	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:			S2332697-00	01/01/2018	01/01/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (EA OCCURRENCE) \$ 1,000,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			S2332697-00	01/01/2018	01/01/2019	COMBINED SINGLE LIMIT (EA accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0 OCCUR CLAIMS-MADE			S2332697-00	01/01/2018	01/01/2019	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
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 N	N/A	HCHS20180000019	02/01/2018	02/01/2019	PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Professional Liability			S2332697-00	01/01/2018	01/01/2019	See Remarks

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Professional Liability \$1,000,000 Each Incident/\$3,000,000 Aggregate

\*\*The Umbrella Policy does not extend over the Workers Compensation policy, however, the Workers Compensation policy does include Excess Insurance of \$1,000,000 provided by Midwest Employers Casualty Corp above the limits listed above for Workers Compensation.\*\*

## CERTIFICATE HOLDER

## CANCELLATION

NH DHHS  
129 Pleasant St  
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

*Donna P. Beauchamp*

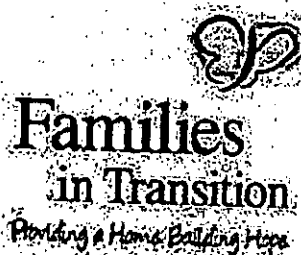
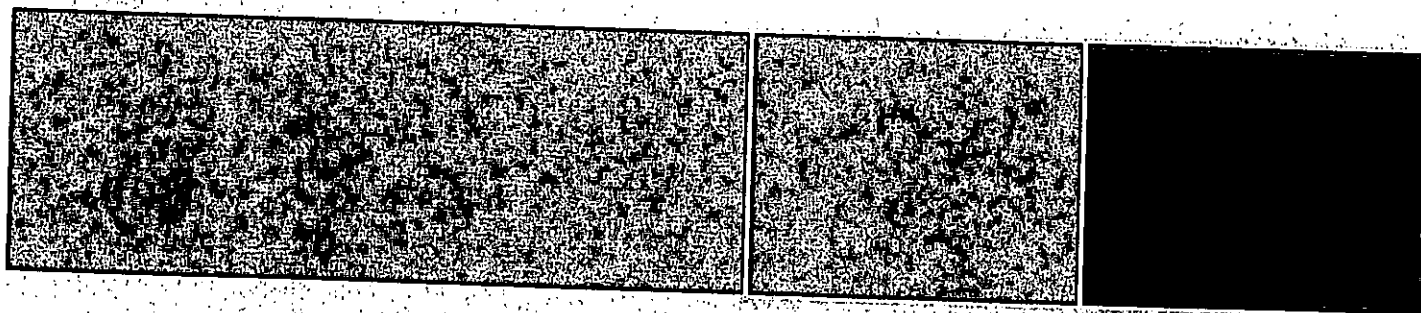


***Families in Transition***  
***122 Market Street***  
***Manchester, NH 03101***  
***Tel. 603-641-9441***  
***Fax. 603-641-1244***



### ***Mission***

To provide safe and affordable housing and  
comprehensive social services to individuals  
and families who are homeless or who are at risk of  
becoming homeless, enabling them to gain  
self-sufficiency and respect.



## CONSOLIDATED FINANCIAL STATEMENTS

and

## SUPPLEMENTARY INFORMATION

December 31, 2017

(With Comparative Totals for 2016)

With Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Families in Transition, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Families in Transition, Inc. and Subsidiaries (the Organization), which comprise the consolidated statement of financial position as of December 31, 2017 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2017, and the consolidated changes in their net assets and their consolidated cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

***Report on Summarized Comparative Information***

We have previously audited the Organization's 2016 consolidated financial statements and, in our report dated March 29, 2017, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

***Other Matter***

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, which consists of the consolidating statement of financial position as of December 31, 2017, and the related consolidating statements of activities and functional expenses for the year then ended, is presented for purposes of additional analysis, rather than to present the financial position and changes in net assets of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Berry Dunn McNeil & Parker, LLC*

Manchester, New Hampshire  
March 30, 2018

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Consolidated Statement of Financial Position**

**December 31, 2017  
(With Comparative Totals for December 31, 2016)**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,062,497	\$ 797,760
Funds held as fiscal agent	96,383	91,897
Accounts receivable	38,380	21,649
Grants and contributions receivable	451,664	323,416
Prepaid expenses	33,229	35,838
Due from related parties	-	8,208
Other current assets	<u>43,097</u>	<u>42,795</u>
Total current assets	1,725,250	1,321,563
Replacement reserves	292,264	333,855
Reserve cash designated for properties	722,130	737,887
Investments	-	2,994
Investment in related entity	1,001	1,001
Property and equipment, net	26,210,337	26,990,325
Development in process	2,090,031	158,991
Other assets, net	<u>103,449</u>	<u>116,646</u>
Total assets	\$ <u>31,144,462</u>	\$ <u>29,663,262</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Current portion of long-term debt	\$ 216,147	\$ 204,278
Accounts payable	220,829	168,988
Accrued expenses	217,676	207,932
Funds held as fiscal agent	96,383	91,897
Other current liabilities	<u>49,504</u>	<u>48,106</u>
Total current liabilities	800,539	721,201
Long-term debt, less current portion	<u>11,317,970</u>	<u>10,831,602</u>
Total liabilities	<u>12,118,509</u>	<u>11,552,803</u>
Net assets		
Unrestricted - controlling interest	14,563,053	12,887,376
Unrestricted - noncontrolling interest	<u>3,565,478</u>	<u>4,808,111</u>
Total unrestricted	18,128,531	17,695,487
Temporarily restricted	<u>897,422</u>	<u>414,972</u>
Total net assets	<u>19,025,953</u>	<u>18,110,459</u>
Total liabilities and net assets	\$ <u>31,144,462</u>	\$ <u>29,663,262</u>

The accompanying notes are an integral part of these consolidated financial statements.

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Consolidated Statement of Activities

Year Ended December 31, 2017

(With Comparative Totals for the Year Ended December 31, 2016)

	Unrestricted - Controlling Interest	Unrestricted - Noncontrolling Interest	Total Unrestricted	Temporarily Restricted	Total 2017	Total 2016
<b>Revenue and support</b>						
Federal, state and other grant support	\$ 2,564,953	\$ -	\$ 2,564,953	\$ 647,794	\$ 3,212,747	\$ 2,349,452
Rental income, net of vacancies	1,841,064	-	1,841,064	-	1,841,064	1,779,729
Thrift store sales	685,756	-	685,756	-	685,756	733,574
Public support	425,225	-	425,225	-	425,225	291,046
Tax credit revenue	-	-	-	80,000	80,000	70,000
Special events	197,191	-	197,191	-	197,191	200,057
VISTA program revenue	125,742	-	125,742	-	125,742	83,649
Unrealized gains on investments	1,270	-	1,270	-	1,270	3,906
Gain (loss) on disposal of assets	5,133	-	5,133	-	5,133	(28,156)
Interest income	31,519	-	31,519	-	31,519	29,107
In-kind donations	61,548	-	61,548	-	61,548	22,549
Forgiveness of debt	131,267	-	131,267	-	131,267	131,267
Medicaid reimbursements	411,535	-	411,535	-	411,535	248,815
Other income	105,860	-	105,860	-	105,860	74,812
Net assets released from restrictions	245,344	-	245,344	(245,344)	-	-
<b>Total revenue and support</b>	<b>6,833,407</b>	<b>-</b>	<b>6,833,407</b>	<b>482,450</b>	<b>7,315,857</b>	<b>5,989,807</b>
<b>Expenses</b>						
Program activities						
Housing	6,299,553	-	6,299,553	-	6,299,553	5,280,642
Thrift store	681,291	-	681,291	-	681,291	590,896
Total program activities	6,980,844	-	6,980,844	-	6,980,844	5,851,538
Fundraising	418,486	-	418,486	-	418,486	402,696
Management and general	539,803	-	539,803	-	539,803	457,590
<b>Total expenses</b>	<b>7,939,133</b>	<b>-</b>	<b>7,939,133</b>	<b>-</b>	<b>7,939,133</b>	<b>6,711,824</b>
(Deficiency) excess of revenue and support over expenses	(1,105,726)	-	(1,105,726)	482,450	(623,276)	(722,017)
Grants and contributions for capital projects	1,538,770	-	1,538,770	-	1,538,770	7,300
Transfer of noncontrolling interest resulting from dissolution of limited partnership	848,610	(848,610)	-	-	-	-
<b>Change in net assets</b>	<b>1,281,654</b>	<b>(848,610)</b>	<b>433,044</b>	<b>482,450</b>	<b>915,494</b>	<b>(714,717)</b>
Change in net assets attributable to noncontrolling interest in subsidiaries	394,023	(394,023)	-	-	-	-
<b>Change in net assets after reclassification of portion attributable to noncontrolling interest</b>	<b>1,875,677</b>	<b>(1,242,633)</b>	<b>433,044</b>	<b>482,450</b>	<b>915,494</b>	<b>(714,717)</b>
Net assets, beginning of year, restated	12,887,376	4,808,111	17,695,487	414,972	18,110,459	18,825,176
<b>Net assets, end of year</b>	<b>\$ 14,563,053</b>	<b>\$ 3,565,478</b>	<b>\$ 18,128,531</b>	<b>\$ 897,422</b>	<b>\$ 19,025,953</b>	<b>\$ 18,110,459</b>

The accompanying notes are an integral part of these consolidated financial statements.

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Consolidated Statement of Functional Expenses

Year Ended December 31, 2017  
(With Comparative Totals for the Year Ended December 31, 2016)

	Program Activities			Management and General	2017 Total	2016 Total
	Housing	Thrift Store	Fundraising			
Salaries and benefits						
Salaries and wages	\$ 2,321,553	\$ 398,751	\$ 239,433	\$ 208,629	\$ 3,168,366	\$ 2,374,819
Employee benefits	292,962	23,458	17,717	15,438	349,575	239,051
Payroll taxes	<u>154,646</u>	<u>30,788</u>	<u>26,061</u>	<u>22,709</u>	<u>234,204</u>	<u>176,891</u>
Total salaries and benefits	2,769,161	452,997	283,211	246,776	3,752,145	2,790,761
Other expenses						
Advertising	9,973	24,062	1,176	1,025	36,236	45,919
Amortization	13,197	-	-	-	13,197	13,197
Application and permit fees	1,640	-	-	375	2,015	5,015
Bad debts	26,124	-	-	-	26,124	32,403
Bank charges	-	-	-	17,875	17,875	15,602
Consultants	59,296	3,017	8,862	6,963	78,138	77,186
Depreciation	952,355	10,129	21,808	19,002	1,003,294	987,859
Events	1,966	2,615	56,600	-	61,181	53,174
General insurance	124,169	7,035	495	22,205	153,904	143,622
Interest expense	174,616	660	-	-	175,276	180,332
Management fees	6,487	-	-	-	6,487	14,679
Meals and entertainment	4,176	131	467	407	5,181	7,656
Membership dues	8,209	-	969	844	10,022	10,600
Office supplies	95,970	17,988	11,506	10,026	135,490	128,829
Participant expenses	96,532	450	-	2,237	99,219	74,023
Postage	6,296	-	806	702	7,804	4,679
Printing	16,517	4,486	1,910	1,664	24,577	22,546
Professional fees	-	-	-	182,974	182,974	127,545
Related entity expense	(60,000)	60,000	-	-	-	-
Rental subsidies	298,272	-	-	-	298,272	223,872
Repairs and maintenance	360,187	39,875	4,847	4,223	409,132	429,714
Staff development	19,087	37	2,144	1,868	23,136	12,039
Taxes	325,478	2,706	-	-	328,184	326,539
Technology support	52,606	1,161	6,247	5,443	65,457	74,381
Telephone	71,136	5,920	7,407	6,454	90,917	84,460
Travel	30,719	6,553	3,855	3,359	44,486	46,755
Utilities	410,784	33,278	-	-	444,062	416,420
VISTA program	359,804	-	-	-	359,804	290,379
Workers' compensation	<u>64,796</u>	<u>8,191</u>	<u>6,176</u>	<u>5,381</u>	<u>84,544</u>	<u>71,638</u>
Total expenses	<u>\$ 6,299,553</u>	<u>\$ 681,291</u>	<u>\$ 418,486</u>	<u>\$ 539,803</u>	<u>\$ 7,939,133</u>	<u>\$ 6,711,824</u>

The accompanying notes are an integral part of these consolidated financial statements.

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Consolidated Statement of Cash Flows

Year Ended December 31, 2017  
(With Comparative Totals for the Year Ended December 31, 2016)

	2017	2016
Cash flows from operating activities		
Change in net assets	\$ 915,494	\$ (714,717)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,016,491	1,001,056
Grants and contributions for capital projects	(1,538,770)	(7,300)
Forgiveness of debt	(131,267)	(131,267)
Unrealized gains on investments	(1,270)	(3,906)
(Gain) loss on disposal of assets	(5,133)	28,156
Decrease (increase) in:		
Accounts receivable	(16,731)	1,803
Grants and contributions receivable	(128,248)	632
Prepaid expenses	2,609	7,317
Other current assets	(302)	(1,493)
Increase (decrease) in:		
Accounts payable	51,841	(34,955)
Accrued expenses	9,744	55,302
Due to related party	-	(869)
Other current liabilities	1,398	3,441
Net cash provided by operating activities	<u>175,856</u>	<u>203,200</u>
Cash flows from investing activities		
Repayments of advances to related parties	8,208	601
Net withdrawals from (deposits to) reserve accounts	57,348	(22,933)
Proceeds from sale of investments	4,264	11,347
Investment in development in process	(1,931,040)	(689,070)
Proceeds from disposal of assets	5,133	-
Acquisition of property and equipment	(162,691)	(152,990)
Net cash used by investing activities	<u>(2,018,778)</u>	<u>(853,045)</u>
Cash flows from financing activities		
Grants and contributions for capital projects	1,538,770	31,724
Proceeds from long-term borrowings	772,009	570,377
Payments on long-term debt	(203,120)	(182,122)
Net cash provided by financing activities	<u>2,107,659</u>	<u>419,979</u>
Net increase (decrease) in cash and cash equivalents	264,737	(229,866)
Cash and cash equivalents, beginning of year	<u>797,760</u>	<u>1,027,626</u>
Cash and cash equivalents, end of year	<u>\$ 1,062,497</u>	<u>\$ 797,760</u>
Supplemental disclosure		
Acquisition of property and equipment through long-term borrowings from seller	<u>\$ 60,615</u>	<u>\$ -</u>
Property and equipment transferred from development in process	<u>\$ -</u>	<u>\$ 1,879,002</u>

The accompanying notes are an integral part of these consolidated financial statements.



# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

### Organization

Families in Transition, Inc. (FIT or the Organization) is a New Hampshire nonprofit, incorporated on May 13, 1994, to provide housing and comprehensive social services to individuals and families who are homeless or at risk of becoming homeless in certain areas of southern New Hampshire, including Manchester, Concord and Dover.

The Organization directly owns and operates housing programs in facilities located on Amherst Street, Spruce Street, Lake Avenue and Douglas Street in Manchester, New Hampshire. Additional housing facilities are owned and operated by several limited partnerships of which the Organization is the sole general partner. These limited partnerships include Bicentennial Families Concord Limited Partnership (Bicentennial), located at Bicentennial Square in Concord, New Hampshire; Family Bridge Limited Partnership (Family Bridge), located on Second Street in Manchester, New Hampshire; and Family Willows Limited Partnership (Family Willows), located on South Beech Street in Manchester, New Hampshire (collectively referred to as the Limited Partnerships).

In 2008, the Organization created a Community Development Housing Organization, Housing Benefits, Inc. (Housing Benefits). Housing Benefits identifies and develops new housing units and refurbishes existing units to meet the persistent need of combating homelessness. Completed housing units are located on School & Third Streets, Lowell Street, Belmont Street, Market Street (Millyard Families I), Spruce Street and Hayward Street, in Manchester, New Hampshire as well as an additional housing unit located on Central Avenue in Dover, New Hampshire (Dover).

During 2016, Millyard Families II, Limited Partnership (Millyard II) reached the end of its initial 15-year low-income housing tax credit compliance period. Effective of April 1, 2017, Community Capital 2000, L.P., the limited partner, and Brick Mill House Families II, Inc., the general partner wholly owned by FIT, withdrew from Millyard II. As a result, \$848,610 of Community Capital 2000, L.P. noncontrolling interest and \$692,233 of Brick Mill House Families II, Inc. controlling interest in Millyard II was assumed by Housing Benefits. Millyard II is a twenty-unit residential housing and commercial space complex located on Market Street in Manchester, New Hampshire.

In 2012, the Organization became the sole member of Manchester Emergency Housing, Inc. (MEH), a New Hampshire nonprofit corporation providing immediate shelter to homeless families in the Manchester, New Hampshire area. MEH is the only family shelter in Manchester, New Hampshire.

The Organization also owns 100% of Family OutFITters, LLC (OutFITters), a limited liability corporation. OutFITters operates independent thrift stores in Concord and Manchester, New Hampshire with the sole purpose of generating an alternate funding stream for the Organization.

The Organization has several wholly-owned corporations which include Bicentennial Families Concord, Inc. (Bicentennial Families), Second Street Family Mill, Inc. (Family Mill), and Big Shady Tree, Inc. (Big Shady Tree) (collectively referred to as the General Partners), all of which are New Hampshire corporations. These wholly-owned corporations represent the .01% sole general partners in the Limited Partnerships, whereby Bicentennial Families is a general partner of Bicentennial, Family Mill is a general partner of Family Bridge and Big Shady Tree is a general partner of Family Willows.

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

In 2012, the Organization became the sole member of The New Hampshire Coalition to End Homelessness (NHCEH), a statewide entity, whose mission is to "eliminate the causes for homelessness through research, education and advocacy". Since 2012, the activity of NHCEH has not been deemed material and has not been included in the consolidated financial statements. During 2017, management assessed the operations of NHCEH and anticipates an increase in its activity and has determined NHCEH activity should be included in the consolidated financial statements. As a result, the 2016 beginning of year net assets has been restated by \$24,424 to reflect NHCEH net assets not previously included in the consolidated financial statements.

### 1. Summary of Significant Accounting Policies

#### Principles of Consolidation

Since the General Partners have control in the Limited Partnerships, in accordance with Financial Accounting Standards Board *Accounting Standards Codification* Topic 810-20-25, *Consolidation*, the financial statements of each of the Limited Partnerships are required to be consolidated with the Organization's consolidated financial statements. The limited partners' ownership interest is reported in the consolidated statements of financial position as noncontrolling interest.

The consolidated financial statements include the net assets of the Organization, the Limited Partnerships, the General Partners, Housing Benefits, Millyard II, MEH, OutFITters and NHCEH. All significant inter-entity balances and transactions are eliminated in the accompanying consolidated financial statements.

#### Comparative Information

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles (U.S. GAAP). Accordingly, such information should be read in conjunction with the Organization's December 31, 2016 consolidated financial statements, from which the summarized information was derived.

#### Use of Estimates

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

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

### Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified as follows based on the existence or absence of donor imposed restrictions.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor imposed stipulations that they be maintained permanently by the Organization. The donors of these assets permit the Organization to use all or part of the income earned on related contributions for general or specific purposes. The Organization had no permanently restricted net assets as of December 31, 2017 and 2016.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization records donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support in the year of the gift.

The Organization reports contributions of land, buildings or equipment as unrestricted support, unless a donor places explicit restriction on its use. Contributions of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support and reclassified to unrestricted net assets when the assets are acquired and placed in service.

### Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. Management regularly monitors the financial institutions, together with their respective cash balances, and attempts to maintain the potential risk at a minimum. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant risk on these accounts.

Restricted deposits are those deposits of cash and cash equivalents not generally available for operating costs, but restricted to particular uses including operating and replacement reserves for rental properties as well as certain other social services and programs.

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

### Property and Equipment

Property and equipment are recorded at cost or, if donated, at estimated fair market value at the date of donation less accumulated depreciation. The Organization's capitalization policy requires the capitalization of capital expenditures greater than \$1,000, 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, ranging from 5 to 30 years. Assets not in service are not depreciated.

### Volunteer Services

A number of volunteers have donated their time to the Organization's various programs and administrative services. The value of these services has not been included in the accompanying consolidated financial statements since the volunteers' time does not meet criteria for recognition. The estimated value of donated time for the years ended December 31, 2017 and 2016 is approximately \$1,060,000 and \$990,000, respectively.

### Functional Expense Allocation

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

### Income Taxes

The Organization is a tax-exempt Section 170(b)(1)(A)(vi) public charity as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Accordingly, no provision for income taxes has been reflected in these financial statements.

The standards for accounting for uncertainty in income taxes require the Organization to report any uncertain tax positions and to adjust its financial statements for the impact thereof. As of December 31, 2017 and 2016, the Organization determined that it had no tax positions that did not meet the more-likely-than-not threshold of being sustained by the applicable tax authority. The Organization files an informational return in the United States. This return is generally subject to examination by the federal government for up to three years.

No provision for taxes on income is made in the Limited Partnerships' financial statements since, as a partnership, all taxable income and losses are allocated to the partners for inclusion in their respective tax returns.

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017  
(With Comparative Totals for December 31, 2016)

### 2. Property and Equipment

Property and equipment consisted of the following:

	<u>2017</u>	<u>2016</u>
Land	\$ 3,112,699	\$ 3,112,698
Land improvements	602,600	602,600
Buildings and improvements	30,283,393	30,172,686
Furniture and fixtures	610,143	604,164
Equipment	217,695	182,631
Vehicles	<u>300,367</u>	<u>290,475</u>
	35,126,897	34,965,254
Less: accumulated depreciation	<u>8,916,560</u>	<u>7,974,929</u>
Property and equipment, net	<u>\$ 26,210,337</u>	<u>\$ 26,990,325</u>

At December 31, 2017 and 2016, the Organization held \$22,166,540 and \$22,840,478, respectively, of land, land improvements, and buildings and improvements, net of accumulated depreciation, for the purpose of leasing to individuals.

### 3. Development in Process

Development in process at December 31, 2017 consist of costs related to the following facilities:

#### Family Willows Recovery Housing Program

In response to the rising rates of opioid and other substance use issues throughout Manchester, New Hampshire and the State of New Hampshire, FIT and Housing Benefits are assisting in the establishment of The Manchester Recovery and Treatment Center, a large-scale facility to curb the tide of substance misuse.

The plan for establishment of this facility includes the following provisions: Each of the four floors of the Manchester Recovery and Treatment Center will provide different substance use disorder treatments or services to those at varying stages of recovery. Agencies using the facility will coordinate services to ensure that clients who seek services are provided with integrated and comprehensive care. One of the key programs in the facility will be Housing Benefit's Family Willows Recovery Housing Program (the Project) on the 2<sup>nd</sup> and 3<sup>rd</sup> floors. This program will provide 19 units of sober, recovery housing, and can accommodated an estimated 40-50 women and their children on an annual basis. Residents in the Project will have access to case management, continued outpatient treatment, self-help groups, employment workshops, and social events. Construction began in December 2017 and is anticipated to be completed by July 2018. The total estimated cost of construction for the Project is approximately \$4,000,000. Funding for the Project has been secured by the City of Manchester, New Hampshire Housing Finance Authority (NHHFA), Franklin Savings Bank, the Community Development Finance Authority (CDFA) and private foundations.

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

### Hope House

In December 2017, FIT and Housing Benefits began renovations on a new emergency housing facility in Wolfeboro, New Hampshire called Hope House.

The plan for renovation of this facility includes the following provisions: Hope House, modeled after FIT's Family Place Resource Center and Shelter in Manchester, New Hampshire, will be a comprehensive resource for families experiencing homelessness. In addition to emergency housing, Hope House will provide services including comprehensive intake, assessment and referrals designed to direct families to the appropriate homeless and housing resources in the community, referrals to medical care for parents and children, and other essential resources. Hope House is expected to house 7 families and their children each night, with an estimated 30 adults and 90 children annually. The renovations are expected to bring 7 bedrooms each with a private bathroom, a kitchen and dining area, and a staff office. The estimated cost of Hope House is approximately \$1,500,000 and its is scheduled to be placed into service late Spring 2018. Funding for Hope House is expected to be financed with lending from NHHFA, as well as private contributions.

### 4. Line of Credit

The Organization has an unsecured line of credit agreement, renewed annually, with a financial institution in the amount of \$200,000. During the term of the agreement, the interest rate on any outstanding principal balance shall be equal to the base rate, as defined by the financial institution, with a floor of 4%. There was no outstanding balance or activity as of and for the years ended December 31, 2017 and 2016.

### 5. Long-term Debt

Long-term debt consisted of the following:

	<u>2017</u>	<u>2016</u>
A mortgage loan payable to NHHFA in monthly payments of \$680, including interest at 1% and an escrow of \$289. The loan is collateralized by real estate located on Amherst Street, Manchester, New Hampshire. The loan is due and payable in full in January 2033.	\$ 57,243	\$ 60,724
A note payable to NHHFA. The note is noninterest bearing and is collateralized by real estate located on Amherst Street, Manchester, New Hampshire. The note is due and payable upon sale or refinancing of the property or in June 2042.	163,283	163,283

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

A mortgage loan payable to St. Mary's Bank in monthly payments of \$990, including interest at 4.55%. The loan is collateralized by real estate on Spruce Street, Manchester, New Hampshire and is due and payable in full in February 2019.	118,282	123,139
A vehicle loan on an activity bus payable to New Hampshire Health and Education Facilities Authority in monthly payments of \$525 at 1% annual interest rate. The loan was due and payable in February 2017.	-	1,077
A mortgage loan payable to TD Bank, N.A. in monthly payments of \$1,359, including interest at 4.1%. The loan is collateralized by real estate at Beech Street, Manchester, New Hampshire. The loan is due and payable in full in November 2023.	69,980	80,597
A mortgage loan payable to RBS Citizens Bank in monthly payments of \$2,126, including interest at 7.18%. The loan is collateralized by real estate on Douglas Street, Manchester, New Hampshire. The loan is due and payable in full in April 2024.	226,616	235,139
A mortgage note payable by Bicentennial to NHHFA, collateralized by real estate and personal property. Monthly payments of \$1,095 include interest at 4.75% per annum until the principal and interest are fully paid with the final installment due and payable on May 1, 2034.	147,919	153,833
A noninterest bearing note payable by Bicentennial to NHHFA, collateralized by real estate and various financing instruments. Annual payments of 50% of surplus cash are due. The note is due and payable on May 28, 2034. This is nonrecourse.	85,018	85,018
A noninterest bearing note payable by Bicentennial to NHHFA, collateralized by real estate and various financing instruments. Annual payments of 25% of surplus cash are due. The note is due and payable on May 28, 2033. This note is nonrecourse and is subordinate to the \$85,018 note payable.	336,955	337,720
A noninterest bearing note payable by Bicentennial to Merrimack County, collateralized by real estate and various financing instruments. The note is due and payable in full in May 2033.	260,000	260,000

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

A noninterest bearing note payable by Millyard II to NHHFA, collateralized by real estate and various financing instruments. Annual payments of 25% of surplus cash are due. The note is due and payable upon sale or refinancing of the property or in May 2031. This loan is nonrecourse.	449,877	449,877
A mortgage note payable by Millyard II to NHHFA, collateralized by real estate and personal property. Monthly payments of \$1,729 include principal and interest at 3.5% per annum. The final installment is due and payable on September 1, 2032.	233,053	245,315
A note payable by Millyard II to the City of Manchester, New Hampshire, collateralized by real estate and various financing instruments. A payment of interest shall be made annually no later than August 1 each year based on 42.5% of the net cash flow, as defined. In any year where the Debt Coverage Ratio, as defined, exceeds 1.15 to 1, principal payments shall be made no later than August 1 in an amount that will result in a 1.15 to 1 Debt Coverage Ratio. All unpaid amounts are due and payable in full on August 1, 2031. This note is nonrecourse.	226,725	226,725
A noninterest bearing note payable by Millyard II to the New Hampshire Community Loan Fund, Inc. (NHCLF), collateralized by real estate. Payment of principal is due and payable on December 31, 2031. This note is nonrecourse.	250,000	250,000
A mortgage note payable by Housing Benefits to the City of Manchester Community Improvement Program, collateralized by Millyard Families I real estate. The note is noninterest bearing and is due and payable in January 2027.	230,000	230,000
A second mortgage note payable by Housing Benefits to CDFA, collateralized by Millyard Families I real estate. Monthly payments of \$1,121 include principal and interest at 2% per annum. The final installment is due and payable on June 15, 2022.	57,837	69,998
A mortgage note payable by Family Bridge to NHHFA, collateralized by real estate and personal property. The note bears no interest and is to be repaid from 50% of available surplus cash annually with all remaining principal due on August 30, 2034.	850,000	850,000



# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

A promissory note payable by Family Bridge to TD Bank, N.A., collateralized by real estate. Monthly payments of \$3,953 include principal and interest at 4.33%. The note is payable in full in November 27, 2023 and is guaranteed by FIT and Family Mill.	450,124	462,486
A promissory note payable by Family Bridge to the City of Manchester, New Hampshire. The note is noninterest bearing with annual payments of 50% of net cash flow payable by October 1. The outstanding principal is due by October 1, 2034. The note is collateralized by real estate and is nonrecourse.	600,000	600,000
A mortgage note payable by Family Willows to NHHFA, collateralized by real estate and personal property. The note bears no interest and is to be repaid from 50% of available surplus cash annually with all remaining principal due on July 9, 2037.	550,878	567,448
A note payable by Family Willows to the City of Manchester, New Hampshire. The note is noninterest bearing and has an annual payment of \$9,091 payable on October 1. All outstanding principal is due by October 2029. The note is collateralized by real estate and is nonrecourse.	99,999	109,090
A note payable by Family Willows to RBS Citizens Bank, collateralized by real estate. Monthly payments of \$1,882 include principal and interest at 3.75%, based on the prime rate capped at 6%. The note is payable in full on June 27, 2033 and is guaranteed by FIT and Big Shady Tree.	275,398	287,593
A mortgage note payable by Housing Benefits to NHHFA, collateralized by School & Third Street real estate and personal property. Monthly payments of \$2,775 include principal and interest at 8% per annum. The note is due in February 2021.	95,775	119,838
A second mortgage note payable by Housing Benefits to NHCLF, collateralized by School & Third Street real estate and personal property. The note bears no interest and monthly payments of \$2,775 will commence on April 15, 2021 and continue until maturity in October 2039.	617,613	617,613

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

A mortgage note payable by Housing Benefits to NHHFA, collateralized by Belmont Street real estate and personal property. The non-interest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full by December 2040.	413,575	413,575
A privately-financed mortgage note collateralized by property located at South Main Street in Concord, New Hampshire. Monthly payments of \$3,158 include principal and interest at 6.25% per annum. The note is payable in full in September 2031.	348,981	364,529
A mortgage note payable from Housing Benefits to NHHFA, collateralized by Lowell Street real estate and personal property. The non-interest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full in August 2040.	34,628	34,628
A second, noninterest bearing, mortgage note payable from Housing Benefits to the City of Manchester, New Hampshire, collateralized by Lowell Street real estate. Annual payments equal to the greater of 25% of net cash flow, as defined, or \$4,000 commenced in October 2012 and continue until the maturity date in June 2041.	168,022	172,022
A noninterest bearing promissory note payable from Housing Benefits to NHHFA collateralized by a mortgage and security agreement on Lowell Street real estate. The note is to be forgiven 1/15th annually over the low-income housing tax credit compliance period which ends in 2026, subject to compliance with certain requirements. During 2017 and 2016, \$131,267 was recognized as revenue and support in the consolidated statement of activities.	1,115,764	1,247,031
A mortgage note payable from Housing Benefits to NHHFA, collateralized by Dover real estate and personal property. The noninterest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full by June 2028.	216,672	219,364
A technical assistance note payable to NHHFA to provide support to the Organization for the Hope House. If Hope House is approved, NHHFA is expected to be the lead lender on Hope House. At the time of closing on the construction loan, this noninterest bearing note payable was repaid.	-	13,841

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

A noninterest bearing mortgage note payable to the City of Manchester Community Improvement Program, collateralized by real estate located at 393-395 Spruce Street. The note has a borrowing limit of \$500,000. As costs are incurred Housing Benefits is to be reimbursed by the City of Manchester. Annual payments of the greater of 25% of net cash flow, as defined, or \$5,000 are due by October 1 commencing October 1, 2015. The note is due in full by October 1, 2045.	582,808	582,808
A mortgage note payable to TD Bank, N.A., collateralized by real estate located at 167 Lake Avenue and personal property located at 161 South Beech Street, Unit 2. Monthly payments of \$1,921 include principal and interest at 3.41%. The note is due in full by April 2019.	398,203	407,357
A vehicle loan payable in monthly payments of \$488, including interest at 4.06%. The loan is due in September 2020 and is collateralized by the related vehicle.	15,239	20,369
A vehicle loan payable in monthly payments of \$760, including interest at 5.374%. The loan is due in November 2020 and is collateralized by the related vehicle.	22,624	30,610
A mortgage note payable to NHHFA, collateralized by the real estate at Lake Avenue, Manchester, New Hampshire. The non-interest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full by June 2045.	750,000	750,000
A mortgage note payable to TD Bank, N.A., collateralized by real estate located at 641 Hayward Street, Manchester, New Hampshire. Monthly payments of \$1,091 include principal and interest at 4.25%. The note is due in full by January 2040.	188,387	193,233
A mortgage note payable to Peoples United Bank, collateralized by Hope House. Monthly payments of \$2,270 include principal and interest at 4.94%. The note is due in full by January 2027.	390,000	
A construction loan payable to Franklin Savings Bank, collateralized by real estate located at 267 Wilson Street, Manchester, New Hampshire. Housing Benefits has the ability to draw up to \$825,000 on the promissory note. Monthly payments including principal and interest will be due over a 30 year period starting September 2018 at 4.90% interest.	270,855	

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017  
(With Comparative Totals for December 31, 2016)

A noninterest bearing construction loan payable to NHHFA, collateralized by real estate located at 267 Wilson Street, Manchester, New Hampshire. The note has a borrowing limit of \$720,000. Annual payments in amounts equal to 25% of surplus cash. The note is due in full by November 1, 2047.

113,819

Three vehicle loans collateralized by an activity bus payable to Ford Credit in monthly payments of \$392 at 5.90% annual interest rate. The loan is due and payable in March 2022.

51,965

11,534,117 11,035,880

Less current portion

216,147 204,278

\$ 11,317,970 \$10,831,602

Surplus cash for the purposes of these disclosures is as defined in the respective loan agreements.

Principal maturities of the above notes over the next five years and thereafter are as follows:

2018	\$ 216,147
2019	702,744
2020	205,460
2021	207,834
2022	192,828
Thereafter	<u>10,009,104</u>
	<u>\$ 11,534,117</u>

Cash paid for interest approximates interest expense.

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017

(With Comparative Totals for December 31, 2016)

### 6. Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for the following purposes:

	<u>2017</u>	<u>2016</u>
The Family Place - services	\$ -	\$ 4,858
Scholarships	10,264	12,264
VISTA program	57,351	58,093
Housing programs	-	10,492
Direct care for clients	109,749	169,494
Community Gardens	-	42,771
Hope House	241,761	-
Family Willows Recovery Housing Program	299,797	-
New Horizons for New Hampshire merger (Note 11)	98,500	-
Grant receivable - time restricted	80,000	117,000
	<u>\$ 897,422</u>	<u>\$ 414,972</u>

### 7. Commitments

Under the terms of the Limited Partnerships' Regulatory Agreements with NHHFA, each Limited Partnership is required to make deposits to various escrow accounts to fund expected future costs.

Each Limited Partnership has entered into a Land Use Restriction Agreement with NHHFA, as a condition of the allocation of low-income housing tax credits by NHHFA. Pursuant to the covenant, the Limited Partnerships are required to remain in compliance with Code Section 42 for the compliance period and an extended use period, unless terminated sooner.

### 8. Retirement Plan

The Organization has a tax deferred retirement plan which is available to all employees working greater than 25 hours a week. All employees are eligible to participate and are fully vested with the first contribution. The Organization matches contributions at 100% up to 3% of compensation. The Organization contributed \$49,814 and \$34,176 during the years ended December 31, 2017 and 2016, respectively.

### 9. Housing Action New Hampshire

In 2011, the Organization entered into a Fiscal Sponsorship Agreement with Housing Action New Hampshire (HANH), an unincorporated association. Authority to manage the programmatic activities of HANH is vested solely in HANH. The Organization maintains the books and financial records for HANH in accordance with U.S. GAAP. HANH funds are presented in the Organization's consolidated statement of financial position as funds held as fiscal agent. Effective January 1, 2018, the Fiscal Sponsorship Agreement terminated and the Organization no longer maintains the books and financial records for HANH.

# FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2017  
(With Comparative Totals for December 31, 2016)

### 10. Noncontrolling Interest

Noncontrolling interest, as shown in the consolidated statement of financial position, represents investments by limited partners in the Limited Partnerships as follows as of December 31:

<u>Limited Partner</u>	<u>Property</u>	<u>2017</u>	<u>2016</u>
Community Capital 2000 New Hampshire Housing Equity Fund, Inc.	Millyard II	\$ -	\$ 848,610
JP Morgan Chase	Bicentennial	213,660	263,968
BCCC, Inc.	Bicentennial	213,791	264,089
Boston Capital Corporate	Family Bridge	10	10
BCCC, Inc.	Family Bridge	1,135,777	1,320,087
Boston Capital Midway	Family Willows	10	10
	Family Willows	2,002,230	2,111,337
		<u>\$ 3,565,478</u>	<u>\$ 4,808,111</u>

### 11. Subsequent Events

For purposes of the preparation of these consolidated financial statements in conformity with U.S. GAAP, the Organization has considered transactions or events occurring through March 30, 2018, which was the date the consolidated financial statements were available to be issued. Management has not evaluated subsequent events after that date for inclusion in the consolidated financial statements.

#### FIT and New Horizons for New Hampshire (NHNH) Merger

Since 1973, NHNH has worked to assist low income persons providing an adult emergency shelter, a soup kitchen, a women's shelter and food pantry to address the social issues facing the Manchester, New Hampshire community. On October 18, 2017 it was announced, that effective January 1, 2018, FIT and NHNH will merge to create an integrated system of care that will provide an increased supply of affordable housing for those most in need, sustain positive outcomes through the incorporation of evidence based practices proven to meet identified needs and goals, identify areas for systemic and programmatic improvements through the use of consistent and accurate data to regularly measure success, and provide an integrated system of care that will prevent homelessness when possible and rapidly rehouse those who become homeless, including both the chronically homeless and families with children. As a result, NHNH assets of approximately \$3,000,000 and liabilities of approximately \$200,000 will be included in FIT's consolidated financial statements beginning in 2018.

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**December 31, 2017**

**(With Comparative Totals for December 31, 2016)**

**Serenity Place Receivership**

On December 20, 2017, the Director of Charitable Trusts, under the supervision of the Attorney General for the State of New Hampshire, appointed FIT as Receiver of Serenity Place, a New Hampshire based nonprofit organization that was no longer, financially or organizationally, able to meet the demands placed upon its services. The Receivership afforded FIT the ability to provide Serenity Place with management to maintain its operations while planning for the future provision of its substance use services. As of January 31, 2018, Serenity Places' substance use services had either been terminated or moved to other substance use service providers with the exception of one program that is to remain under Serenity Place control until the second quarter of 2018 at which time the program is expected to be relocated to another substance use service provider. Two of the substance use programs were absorbed by FIT to continue to provide substance use services to those individuals in need. FIT's assigned Receivership is expected to end with the relocation of Serenity Place's final program and the filing of Chapter 7 bankruptcy protection.

## **SUPPLEMENTARY INFORMATION**



**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Consolidating Statement of Financial Position**

December 31, 2017

**ASSETS**

	Families In Transition - Operating	Limited Partnerships	Housing Benefits	Family OutFitters	Manchester Emergency Housing	New Hampshire Coalition to End Homelessness	Families in Transition - Temporarily Restricted	Eliminations	Total
<b>Current assets</b>									
Cash and cash equivalents	\$ 81,237	\$ 28,144	\$ 78,815	\$ 83,585	\$ 143	\$ 74,038	\$ 740,755	\$ -	\$ 1,062,497
Funds held as fiscal agent	96,383								96,383
Accounts receivable	83,358	17,178	18,028					(80,184)	38,380
Grants and contributions receivable	288,287				6,730				451,684
Prepaid expenses	14,035	12,837	6,422		135		156,887		33,229
Due from related party	528,104	650	19,808	158,618					(705,180)
Other current assets	<u>5,656</u>	<u>19,444</u>	<u>17,997</u>						<u>43,097</u>
<b>Total current assets</b>	<b>1,095,040</b>	<b>78,053</b>	<b>138,870</b>	<b>222,183</b>	<b>7,008</b>	<b>74,038</b>	<b>897,422</b>	<b>(785,384)</b>	<b>1,725,250</b>
<b>Replacement reserves</b>									
Reserve cash designated for properties	54,784	95,566	141,914						292,264
Related party notes receivable	55,436	310,289	356,405						722,130
Accrued interest receivable on related party note	1,725,799								(1,725,799)
Investments	1,015,081							(1,015,081)	
Investment in related entities									
Property and equipment, net	1,196,348		25,052						1,001
Development in process	4,525,800	10,128,075	11,518,362	36,774	3,326			(1,220,397)	28,210,337
Other assets	86,135		2,003,896						2,090,031
		<u>39,049</u>	<u>84,400</u>						<u>103,449</u>
<b>Total assets</b>	<b>\$ 9,754,421</b>	<b>\$ 10,649,032</b>	<b>\$ 14,246,899</b>	<b>\$ 258,957</b>	<b>\$ 10,334</b>	<b>\$ 74,038</b>	<b>\$ 897,422</b>	<b>\$ (4,746,641)</b>	<b>\$ 31,144,462</b>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>									
Current portion of long-term debt	\$ 72,179	\$ 53,859	\$ 82,311	\$ 7,998	\$ -	\$ -	\$ -	\$ -	\$ 218,147
Accounts payable	104,618	105,748	78,418	8,538	7,688	23		(80,184)	220,829
Accrued expenses	162,559	783,984	261,213	17,131	7,890			(1,015,081)	217,676
Funds held as fiscal agent	96,383								96,383
Due to related entities	15,970	80,053	485,950	102,369	40,838			(705,180)	
Other current liabilities	<u>5,782</u>	<u>21,045</u>	<u>22,867</u>						<u>49,504</u>
<b>Total current liabilities</b>	<b>457,501</b>	<b>1,044,489</b>	<b>908,559</b>	<b>134,036</b>	<b>56,396</b>	<b>23</b>		<b>(1,800,445)</b>	<b>800,539</b>
<b>Long-term debt, less current portion</b>	<b>2,127,613</b>	<b>4,928,431</b>	<b>5,973,099</b>	<b>14,626</b>				<b>(1,725,799)</b>	<b>11,317,970</b>
<b>Total liabilities</b>	<b>2,585,114</b>	<b>5,972,900</b>	<b>6,881,658</b>	<b>148,662</b>	<b>56,396</b>	<b>23</b>		<b>(3,526,244)</b>	<b>12,118,509</b>
<b>Net assets</b>									
Unrestricted - controlling interest	7,169,307	1,110,854	7,365,241	110,295	(48,062)	74,015		(1,220,397)	14,563,053
Unrestricted - noncontrolling interest		<u>3,565,478</u>							<u>3,565,478</u>
<b>Total unrestricted</b>	<b>7,169,307</b>	<b>4,676,132</b>	<b>7,365,241</b>	<b>110,295</b>	<b>(48,062)</b>	<b>74,015</b>		<b>(1,220,397)</b>	<b>18,128,531</b>
<b>Temporarily restricted</b>							<b>897,422</b>		<b>897,422</b>
<b>Total net assets</b>	<b>7,169,307</b>	<b>4,676,132</b>	<b>7,365,241</b>	<b>110,295</b>	<b>(48,062)</b>	<b>74,015</b>	<b>897,422</b>	<b>(1,220,397)</b>	<b>19,025,953</b>
<b>Total liabilities and net assets</b>	<b>\$ 9,754,421</b>	<b>\$ 10,649,032</b>	<b>\$ 14,246,899</b>	<b>\$ 258,957</b>	<b>\$ 10,334</b>	<b>\$ 74,038</b>	<b>\$ 897,422</b>	<b>\$ (4,746,641)</b>	<b>\$ 31,144,462</b>

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Consolidating Statement of Activities**

**Year Ended December 31, 2017**

	<u>Families In Transition Operating</u>	<u>Limited Partnerships</u>	<u>Housing Benefits</u>	<u>Family OutFITTERs</u>	<u>Manchester Emergency Housing</u>	<u>New Hampshire Coalition to End Homelessness</u>	<u>Eliminations</u>	<u>Unrestricted Total</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenue and support</b>										
Federal, state and other grant support	\$ 3,958,060	\$ -	\$ (307,851)	\$ -	\$ 186,978	\$ 31,263	\$ (1,283,897)	\$ 2,564,853	\$ 647,794	\$ 3,212,747
Rental income, net of vacancies	316,730	795,183	800,470	-	7,978	-	(79,277)	1,841,084	-	1,841,084
Thrift store sales	-	-	-	685,756	-	-	-	685,756	-	685,756
Public support	390,774	-	-	7,043	-	27,408	-	425,225	-	425,225
Tax credit revenue	-	-	-	-	-	-	-	-	80,000	80,000
Special events	197,191	-	-	-	-	-	-	197,191	-	197,191
Property management fees	553,082	-	-	-	-	-	(553,082)	-	-	-
VISTA program revenue	125,742	-	-	-	-	-	-	125,742	-	125,742
Unrealized gains on investments	1,270	-	-	-	-	-	-	1,270	-	1,270
Gain on disposal of assets	5,133	-	-	-	-	-	-	5,133	-	5,133
Interest income	96,430	828	2,033	-	-	-	-	31,519	-	31,519
In-kind donations	61,548	-	-	-	-	-	(67,770)	61,548	-	61,548
Forgiveness of debt	-	-	131,267	-	-	-	-	131,267	-	131,267
Medicaid reimbursements	411,535	-	-	-	-	-	-	411,535	-	411,535
Other income	81,297	18,599	43,203	11,486	31,786	6,787	(87,298)	105,860	-	105,860
Net assets released from restrictions	245,344	-	-	-	-	-	-	245,344	(245,344)	-
<b>Total revenue and support</b>	<b>6,444,118</b>	<b>814,588</b>	<b>669,322</b>	<b>704,285</b>	<b>208,742</b>	<b>65,458</b>	<b>(2,071,104)</b>	<b>6,833,407</b>	<b>482,450</b>	<b>7,315,857</b>
<b>Expenses</b>										
Program activities	5,535,335	1,179,487	1,325,427	743,987	235,337	15,814	(2,054,523)	6,980,844	-	6,980,844
Fundraising	418,486	-	-	-	-	-	-	418,486	-	418,486
Management and general	469,253	29,183	41,033	18,337	525	53	(18,581)	539,803	-	539,803
<b>Total expenses</b>	<b>6,423,074</b>	<b>1,208,650</b>	<b>1,366,460</b>	<b>760,324</b>	<b>235,862</b>	<b>15,867</b>	<b>(2,071,104)</b>	<b>7,939,133</b>	<b>-</b>	<b>7,939,133</b>
<b>Excess (deficiency) of revenue and support over expenses</b>	<b>21,042</b>	<b>(394,062)</b>	<b>(697,138)</b>	<b>(56,039)</b>	<b>(29,120)</b>	<b>49,591</b>	<b>-</b>	<b>(1,105,726)</b>	<b>482,450</b>	<b>(623,276)</b>
<b>Grants and contributions for capital projects</b>	<b>-</b>	<b>-</b>	<b>1,538,770</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,538,770</b>	<b>-</b>	<b>1,538,770</b>
<b>Transfer of equity resulting from dissolution of limited partnership</b>	<b>-</b>	<b>(1,540,843)</b>	<b>1,540,843</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net assets</b>	<b>\$ 21,042</b>	<b>\$ (1,934,905)</b>	<b>\$ 2,382,475</b>	<b>\$ (56,039)</b>	<b>\$ (29,120)</b>	<b>\$ 49,591</b>	<b>\$ -</b>	<b>\$ 433,044</b>	<b>\$ 482,450</b>	<b>\$ 915,494</b>

**FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES**

**Consolidating Statement of Functional Expenses**

**Year Ended December 31, 2017**

	<b>Program Activities</b>							<b>Management and General</b>	<b>Eliminations</b>	<b>Total</b>
	<b>Families In Transition Operating</b>	<b>Limited Partnerships</b>	<b>Housing Benefits</b>	<b>Family OutFitters</b>	<b>Manchester Emergency Housing</b>	<b>New Hampshire Coalition to End Homelessness</b>	<b>Fundraising</b>			
Salaries and benefits										
Salaries and wages	\$ 1,872,085	\$ -	\$ 331,410	\$ 398,751	\$ 118,058	\$ -	\$ 239,433	\$ 208,829	\$ -	\$ 3,168,366
Employee benefits	218,928	-	87,022	23,458	7,012	-	17,717	15,438	-	349,575
Payroll taxes	<u>122,600</u>	<u>-</u>	<u>23,155</u>	<u>30,788</u>	<u>8,891</u>	<u>-</u>	<u>26,061</u>	<u>22,709</u>	<u>-</u>	<u>234,204</u>
<b>Total salaries and benefits</b>	<b>2,213,613</b>	<b>-</b>	<b>421,587</b>	<b>452,997</b>	<b>133,961</b>	<b>-</b>	<b>283,211</b>	<b>246,776</b>	<b>-</b>	<b>3,752,145</b>
Advertising	9,177	-	-	24,062	-	796	1,178	1,025	-	36,236
Amortization	-	5,368	7,829	-	-	-	-	-	-	13,197
Application and permit fees	-	-	1,840	-	-	-	-	-	-	2,015
Bad debts	1,034	11,789	13,321	-	-	-	-	375	-	26,124
Bank charges	-	-	-	-	-	-	-	17,875	-	17,875
Consultants	47,478	-	4,537	3,017	2,283	5,000	8,862	8,963	-	78,138
Depreciation	170,127	382,390	399,784	10,129	74	-	21,808	19,002	-	1,003,294
Events	-	-	813	2,815	-	1,353	58,800	-	-	61,181
General insurance	38,571	33,808	48,284	7,035	6,986	742	495	22,205	-	153,904
Interest expense	67,871	118,267	58,448	660	-	-	-	-	(87,770)	175,276
Management fees	73,106	178,412	290,031	-	-	-	-	-	(533,062)	6,487
Meals and entertainment	3,689	-	-	131	153	334	487	407	-	5,181
Membership dues	7,559	-	-	-	-	650	969	844	-	10,022
Office supplies	89,780	1,434	4,149	17,988	558	69	11,506	10,026	-	135,490
Participant expenses	50,814	4,151	2,122	450	37,797	1,848	-	2,237	-	99,219
Postage	6,288	-	-	-	-	10	806	702	-	7,804
Printing	14,901	-	-	4,486	-	1,818	1,910	1,664	-	24,577
Professional fees	-	-	-	-	-	-	-	182,974	-	182,974
Related entity expenditures	1,749,700	-	(438,705)	80,000	-	-	-	-	(1,370,995)	-
Rent	-	-	-	62,696	-	-	-	16,581	(79,277)	-
Rental subsidies	298,272	-	-	-	-	-	-	-	-	298,272
Repairs and maintenance	37,810	132,837	181,568	39,875	27,972	-	4,847	4,223	(20,000)	409,132
Staff development	16,723	-	-	37	200	2,164	2,144	1,868	-	23,136
Taxes	65,951	124,748	134,629	2,706	75	75	-	-	-	328,184
Technology support	48,733	3,114	180	1,181	84	515	8,247	5,443	-	65,457
Telephone	57,784	781	9,524	5,920	3,087	-	7,407	6,454	-	90,917
Travel	30,077	-	-	6,553	-	642	3,855	3,359	-	44,486
Utilities	32,880	182,450	178,328	33,278	17,128	-	-	-	-	444,062
VISTA program	357,844	2,180	-	-	-	-	-	-	-	359,804
Workers' compensation	<u>48,177</u>	<u>-</u>	<u>11,820</u>	<u>8,181</u>	<u>4,999</u>	<u>-</u>	<u>6,176</u>	<u>5,381</u>	<u>-</u>	<u>84,544</u>
<b>Total expenses</b>	<b>\$ 5,535,335</b>	<b>\$ 1,179,467</b>	<b>\$ 1,325,427</b>	<b>\$ 743,887</b>	<b>\$ 235,337</b>	<b>\$ 15,814</b>	<b>\$ 418,486</b>	<b>\$ 556,384</b>	<b>\$ (2,071,104)</b>	<b>\$ 7,939,133</b>

**Families in Transition  
Board of Directors**



**Families  
in Transition**

*Providing a Home. Building Hope.*

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**Board of Directors**

Dick Anagnost, Chairperson  
*President, Anagnost Companies*  
Board member since 2007

Charla Bizios Stevens, Vice Chairperson  
*Director, Litigation Department and Chair of Employment Law Practice Group*  
*McLane, Graf, Raulerson & Middleton, P.A.*  
Board member since 2013

Robert Bartley, Treasurer  
*President, CPA, CFP, Bartley Financial Advisor*  
Board member since 2015

Colleen Cone, Secretary  
*VP, Talent & Culture, DYN*  
Board member since 2014

Trevor Arp,  
*VP of Product Management, Comcast*  
Board member since 2008

Rev. Gayle Murphy  
*Minister at Large*  
Board member since 2008

Alison Hutcheson  
*Manager of Sales, Merchants Fleet Management*  
Board member since 2014

Kristy Merrill  
*Chief of Staff, New Hampshire Senate*  
Board member since 2014

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*Assistant Vice President, Relationship Management, Lincoln Financial Group*  
Board member since 2014

Kitten Stearns  
*Realtor, Coldwell Banker Residential Brokerage*  
Board member since 2014

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*Strategic Account Manager, CCH, a Wolters Kluwer Business*  
Board member since 2015

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*VP of the NH Commercial Banking Division, NBT Bank*  
Board member since 2015

Mary Ann Aldrich  
*Clinical Director of Community Health, Dartmouth-Hitchcock Manchester*  
Board member since 2015

Alex Anagnost  
*Director of Philanthropy/Project Manager, Anagnost Companies*  
Board member since 2015

Kelly Mulholland  
*SVP, Business Banking Regional Director, New England, Santander Bank, N.A.*  
Board member since 2016

Heather Whitfield  
*Vice President, Commercial Lending, People's United Bank*  
Board member since 2016

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*First Vice President- Investments, Wells Fargo Advisors*  
Board member since 2016

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*Director of Community Relations, Southern New Hampshire University*  
Board member since 2016

Scott W. Ellison  
*Partner, COOK, LITTLE, ROSENBLATT & MANSON, pllc*  
Board member since 2016

Glynis Citarelli  
*Owner/Photographer/Creative Designer, SweetShot Photography, LLC*  
Board member since 2016

AnnMarie French  
*Communications Manager, NH Fiscal Policy Institute*  
Board member since 2016

Kyle Battis  
*NH Strategic Marketing, President*  
Board member since 2017

## KELLY PAQUETTE

### PROFESSIONAL PROFILE

**Motivated, personable professional** with a successful track record of developing, managing and directing programs and services. Diplomatic and tactful with professionals and nonprofessionals at all levels. Accustomed to handling sensitive, confidential information. Demonstrated history of producing accurate, timely reports meeting stringent state and federal guidelines.

**Flexible and versatile -- able to maintain a sense of humor under pressure.** Poised and competent with demonstrated ability to easily transcend cultural differences. Thrive in deadline-driven environments. Excellent team-building skills.

### SKILLS SUMMARY

- Results-driven achiever with exemplary planning and organizational skills, along with a high degree of detail orientation.
- Innovative problem-solver who can generate workable solutions and implement effective solutions.
- Resourceful team player who excels at building trusting relationships with customers and colleagues.
- Collaborative team member who can effectively manage and communicate with multiple management and employee levels.
- Flexible team player who thrives in environments requiring ability to effectively prioritize and juggle multiple concurrent projects.
- Goal-driven leader who maintains a productive climate and confidently motivates, mobilizes, and coaches employees to meet high performance standards.

### PROFESSIONAL EXPERIENCE

#### Communication

- Prepare complex reports for internal and external partners, ensuring full compliance with agency, state and federal requirements and tight deadlines.
- Develop new services to meet customer needs, regional resource needs and improvement in service quality.
- Expand and maintain positive partnerships with the business community and current and potential program funders.
- Coordinate services with internal and external partners, service providers and community organizations.

**Financial Management**

- Contribute to budgeting process by planning, implementing and meeting or exceeding annual financial goals.
- Produces accurate and timely reports, billing and other documentation.
- Contributes in policy creation and implementation with funders and internal partners for multiple programs.
- Review federal guidance related to grant funded workforce programs and summarizes it, analyzes it and disseminates it to other interested parties.

**Detail Mastery & Organization**

- Manage all aspects of day-to-day operations of multiple programs.
- Manage facility logistics/maintenance of building.
- Compliance with all safety requirement.

**EMPLOYMENT HISTORY****FAMILIES IN TRANSITION - Manchester, NH**

Senior Manager of Housing Programs, October, 2016 - Present

**GOODWILL INDUSTRIES OF NORTHERN NEW ENGLAND - Concord, NH**

Senior Program Manager/Community Outreach Coordinator, 2010- October, 2016

**EVERYDAY ERRANDS - Concord, NH**

Owner/Operator, 2008-2010

**NEW HAMPSHIRE WOMEN'S POLICY INSTITUTE - Concord, NH**

WOMEN'S FUND OF NEW HAMPSHIRE - Concord, NH

LEADERSHIP NEW HAMPSHIRE- Concord, NH

Office Manager/Program Assistant, 2008-2010

**ORR & RENO, PA - Concord, NH**

Legal Assistant/Paralegal, 2000-2002

**NELSON, KINDER, MOSSEAU & SATURLEY - Manchester, NH**

Legal Assistant, 1998-2000

**EDUCATION**

FRANKLIN PIERCE COLLEGE – Concord, NH

Certificate in Paralegal Studies, 1999

FRANKLIN PIERCE COLLEGE – Concord, NH

B.S., Business Management, 1993

CONTRACTOR NAME  
 FIT/NHNN, Home at Last PH  
Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Maureen Beauregard	President	153,700	0%	-
Stephanie Savard	COO	98,945	0%	-
Kelly Paquette	Program Manager	63,500	6%	3,810



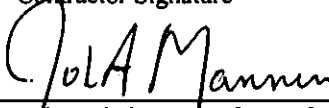
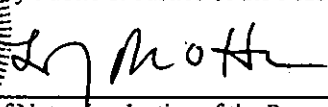

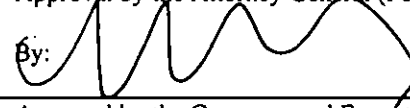
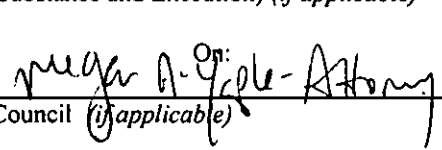
Subject: Continuum of Care, SCS Rapid Re-Housing, Permanent Housing, SS-2019-BHHS-03-Perma-19

**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

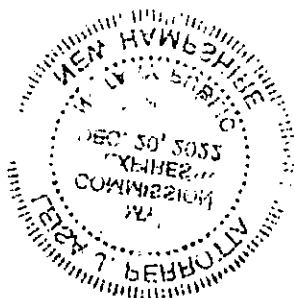
**AGREEMENT**

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

**GENERAL PROVISIONS****1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Southwestern Community Services, Inc.		1.4 Contractor Address 63 Community Way P.O. Box 603 Keene, NH 03431-0603	
1.5 Contractor Phone Number (603) 352-7512	1.6 Account Number 05-95-42-423010-7927 102-500731	1.7 Completion Date December 31, 2019	1.8 Price Limitation \$111,319
1.9 Contracting Officer for State Agency Nathan D. White Director, Contracts and Procurement		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory John A. Manning, Chief Executive Officer	
1.13 Acknowledgement: State of NH, County of Cheshire On 11/29/18, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proved 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.			
1.14 Signature of Notary Public or Justice of the Peace  [Seal] Notary Public, State of New Hampshire Expires DEC. 20, 2022			
1.15 Name and Title of Notary or Justice of the Peace Lisa Perrotta, Notary			
1.14 State Agency Signature  Date: 11/29/18		1.15 Name and Title of State Agency Signatory MARK JEWELL, DIR - DEHS	
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) (if applicable) By:  On:  11/29/18			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

9m  
11/29/18



**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, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("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. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. 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 notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and 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 \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form 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 thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) 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 unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

#### 19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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



Exhibit A

**SCOPE OF SERVICES**

**Rapid Re-Housing Program**

**1. Provisions Applicable to All Services**

- 1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the services described herein, the State, through the Bureau of Housing Supports, has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. The Contractor shall submit a detailed description of the language assistance services they will provided to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date; submitted to:  
NH DHHS  
Bureau of Housing Supports (BHS)  
129 Pleasant Street  
Concord, NH 03301
- 1.4. For the purposes of this agreement, the Department has identified the Contractor as a subrecipient, in accordance with 2 CFR 200.0. et seq.
- 1.5. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 biennium.
- 1.6. Notwithstanding the confidentiality procedures established under 24 CFR Part 578.103(b), HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the Contractor that are pertinent to the Continuum of Care grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.
- 1.7. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 Notice of Funding Available (NOFA) Continuum of Care Project Application approved by HUD.
- 1.8. The Contractor shall provide services according to HUD regulations as outlined in Public Law 102-550 and 24 CFR Part 578: Continuum of Care Program and other written HUD policies and directives as appropriate.
- 1.9. All programs shall be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs shall follow NH HMIS policy, including specific information required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.

*Jm*  
Date 11/21/18



Exhibit A

- 1.10. The Contractor shall cooperate fully with and answer all questions, related to this contract, of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.
- 1.11. The Contractor shall support the primary goal of this program which is to facilitate the movement of homeless and chronically homeless individuals and families to permanent housing and maximum self-sufficiency.

**2. Scope of Services**

- 2.1. The Contractor shall implement a Coordinated Entry System (CES) for all projects funded by the CoC Program, ESG Program, and HOPWA Program, in accordance with the CoC Program interim rule, 24 CFR Part 578.
- 2.2. The Contractor shall provide a permanent housing program that is targeted to serve fourteen (14) homeless individuals or families, and which includes but is not limited to:
  - 2.2.1. Utilization of the "Housing First" model, ensuring barriers to entering housing are not imposed beyond those required by regulation or statute, and will only terminate project participation for the most severe reasons once available options have been exhausted to help a participant maintain housing.
  - 2.2.2. The development of a stabilization plan and crisis management plan with the participant, at intake and, at a minimum, annually. An ongoing Assessment of Housing and Supportive Services is required, with the ultimate goal being assistance to the participant in obtaining the skills necessary to live in the community independently.
- 2.3. The Contractor shall establish and maintain standard operating procedures to ensure CoC program funds are used in accordance with 24 CFR 578 and must establish and maintain sufficient records to enable HUD and BHS to determine Contractor requirement compliance, including:
  - 2.3.1. Continuum of Care records: The Contractor shall maintain the following documentation related to establishing and operating a CoC:
    - 2.3.1.1. Records of Homeless Status. The Contractor shall maintain acceptable evidence of homeless status in accordance with 24 CFR 576.500(b).
    - 2.3.1.2. Records of at risk of Homelessness status: The Contractor shall maintain records that establish "at risk of homelessness" status of each individual or family who receives CoC homelessness prevention assistance, as identified in 24 CFR 576.500(c).
    - 2.3.1.3. Records of reasonable belief of imminent threat of harm. The Contractor shall maintain documentation of each program participant who moved to a different CoC due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking as defined in 24 CFR 578.51(c)(3). The Contractor shall retain documentation that includes, but is not limited to:
      - 2.3.1.3.1 The original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household.

*Jm*  
11/2/18



Exhibit A

- 2.3.1.3.2 The reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.
- 2.3.1.4. Records of Annual income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the Contractor must keep the following documentation of annual income:
- 2.3.1.4.1. Income evaluation form specified by HUD and completed by the Contractor; and
  - 2.3.1.4.2. Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement) for the assets held by the program participant and income received before the date of the evaluation;
  - 2.3.1.4.3. To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the Contractor's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or
  - 2.3.1.4.4. To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the three (3) month period following the evaluation.
- 2.3.1.5. Program participant records. In addition to evidence of homelessness status or at-risk-of-homelessness status, as applicable, the Contractor must keep records for each program participant that document:
- 2.3.1.5.1. The services and assistance provided to that program participant, including evidence that the Contractor has conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in 24 CFR 578.37(a)(1)(ii)(F); and
  - 2.3.1.5.2. Where applicable, compliance with the termination of assistance requirement in 24 CFR 578.91.
- 2.3.1.6. Housing standards. The Contractor must retain documentation of compliance with the housing standards in 24 CFR 578.75(b), including inspection reports.
- 2.3.1.7. Services provided. The Contractor must document the types of supportive services provided under the Contractor's program and the amounts spent on those services. The Contractor must keep documentation that these records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.
- 2.4. The Contractor shall maintain records that document compliance with:
- 2.4.1. The organizational conflict-of-interest requirements in 24 CFR 578.95(c).

*Jm*  
11/21/18





Exhibit A

- 2.4.2. The Continuum of Care Board conflict-of-interest requirements in 24 CFR 578.95(b).
- 2.4.3. The other conflict requirements in 24 CFR 578.95(d).
- 2.5. The Contractor shall develop, implement and retain a copy of the personal conflict-of-interest policy that complies with the requirements in 24 CFR 578.95, including records supporting any exceptions to the personal conflict-of-interest prohibitions.
- 2.6. The Contractor shall comply and retain documentation of compliance with:
  - 2.6.1. The homeless participation requirements in accordance with 24 CFR 578.75(g).
  - 2.6.2. The faith-based activities requirements in accordance with 24 CFR 578.87(b).
  - 2.6.3. Affirmatively Furthering Fair Housing by maintaining copies of all marketing, outreach, and other materials used to inform eligible persons of the program in accordance with 24 CFR 578.93(c).
  - 2.6.4. Other federal requirements in 24 CFR 578.99, as applicable.
  - 2.6.5. Other records specified by HUD. The Contractor must keep other records as specified by HUD.
  - 2.6.6. The Contractor must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR part 84.
- 2.7. Confidentiality. In addition to meeting the specific confidentiality and security requirements for HMIS data (76 FR 76917), the Contractor shall develop and implement written procedures to ensure:
  - 2.7.1. All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance shall be kept secure and confidential;
  - 2.7.2. The address or location of any family violence project assisted with Continuum of Care funds shall not be made public, except with written authorization of the person responsible for the operation of the project; and
  - 2.7.3. The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality;
- 2.8. Period of record retention. The Contractor shall ensure all records, originals or copies made by microfilming, photocopying, or other similar methods, pertaining to Continuum of Care funds are retained for the greater of five (5) years following the Contract Completion Date and receipt of final payment by the Contractor or the period specified below:
  - 2.8.1. Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for five (5) years after the expenditure of all funds from the grant under which the program participant was served; and
  - 2.8.2. Where Continuum of Care funds are used for the acquisition, new construction, or rehabilitation of a project site, records must be retained until fifteen (15) years after the date that the project site is first occupied, or used, by program participants.

**3. Program Reporting Requirements**

- 3.1. The Contractor shall submit the following reports:

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Exhibit A

- 3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Contract Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the Contractor is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.3 Exhibit A; and
- 3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.

**4. Contract Administration**

- 4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHS or designee may observe performance, activities and documents under this Agreement.
- 4.3. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.



Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**1. Rapid Re-Housing Program Funding**

- 1.1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement pursuant to Exhibit A, Scope of Services, the State agrees to pay the Contractor an amount not to exceed Form P-37, Block 1.8, Price Limitation and for the time period specified below.
- 1.2. This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:
  - 1.2.1. NH General Fund: 0%
  - 1.2.2. Federal Funds: 100%
  - 1.2.3. CFDA #: 14.267
  - 1.2.4. Grant Number: NH0074L1T001705
  - 1.2.5. Federal Agency: U.S. Department of Housing & Urban Development (HUD)
  - 1.2.6. Program Title: Continuum of Care, Rapid Re-Housing
  - 1.2.7. Total Amount Continuum of Care;
    - 1.2.7.1. January 1, 2019 – December 31, 2019: not to exceed \$111,319
  - 1.2.8. Funds allocation under this agreement for Continuum of Care Program;
    - 1.2.8.1. Administrative Expenses: \$2,735
    - 1.2.8.2. Rental Assistance: \$87,468
    - 1.2.8.3. Supportive Services: \$21,116
    - 1.2.8.4. Total program amount: \$111,319
- 1.3. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

**2. Financial Reports**

- 2.1. As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:
  - 2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200.
  - 2.1.2. One (1) copy of the audited financial report within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS  
Bureau of Housing Supports  
129 Pleasant Street  
Concord, NH 03301
- 2.2. Conformance to 2 CFR part 200: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.



**Exhibit B**

- 2.3. If the Contractor is not subject to the requirements of 2 CFR part 200, the Contractor shall submit one (1) copy of an audited financial report to the Department utilizing the guidelines set forth by the Comptroller General of the United States in 'Standards for Audit of Governmental Organizations, Program Activities, and Functions,' within ninety (90) days after contract completion date.

**3. Project Costs: Payment Schedule: Review by the State**

- 3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of 2 CFR part 200.

- 3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 24 CFR 578.87(c).

**3.3. Match Funds:**

- 3.3.1. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73.

- 3.3.2. The Contractor must match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.

- 3.3.3. Match requirements are to be documented with each payment request.

- 3.3.4. The Contractor must match all grant funds, except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources. Cash match must be used for the cost of activities that are eligible under subpart D of 24 CFR 578. The Contractor shall:

- 3.3.4.1. Maintain records of the source and use of contributions made to satisfy the match requirement in 24 CFR 578.73.

- 3.3.4.2. Ensure records indicate the grant and fiscal year for which each matching contribution is counted.

- 3.3.4.3. Ensure records include methodologies that specify how the values of third party in-kind contributions were derived.

- 3.3.4.4. Ensure records include, to the extent feasible, volunteer services that are supported by the same methods used to support the allocation of regular personnel costs.

**3.4. Payment of Project Costs:**

- 3.4.1. The State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement, subject to the availability of sufficient funds.

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Date 11/21/18



**Exhibit B**

- 3.4.2. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 5. Expense Eligibility, Exhibit B. The Contractor must have written approval from the State prior to billing for any other expenses.
- 3.4.3. Eligible expenditures shall be in accordance with the approved line item not to exceed an amount as specified in this Exhibit, and defined by HUD under the provisions of Public Law 102-550 and other applicable regulations.
- 3.4.4. Payment of Project Costs shall be made through the utilization of funds as provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550), in an amount and time period not to exceed as specified in section 1.2 Exhibit B.
- 3.4.5. Schedule of Payments:
  - 3.4.5.1. Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required as designated by the State, which shall be completed and signed by the Contractor.
  - 3.4.5.2. The Contractor shall keep records of their activities related to Department programs and services, and shall provide such records and any additional financial information if requested by the State to verify expenses.
  - 3.4.5.3. Failure to submit required reports in Exhibit A, Scope of Services or Exhibit B, Methods and Conditions Precedent to Payment, or enter data into NH-HMIS, as specified in Exhibit A, Scope of Services, in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by BHS.
  - 3.4.5.4. Invoices shall be submitted promptly to the address listed above in section 2.1.2. Exhibit B.
  - 3.4.5.5. The final invoice shall be due to the State no later than forty (40) days after the contract completion date.

**3.5. Review of the State Disallowance of Costs:**

- 3.5.1. At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date.
- 3.5.2. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, informing the Contractor of any such disallowance.
- 3.5.3. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture.



**Exhibit B**

**4. Use of Grant Funds**

- 4.1. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council if needed and justified.

**5. Expense Eligibility**

- 5.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Continuum of Care Program funds specified in this Exhibit B from the HUD Continuum of Care Program, for contract services.

**5.2. Operating Expenses:**

5.2.1. Eligible operating expenses include:

- 5.2.1.1. Maintenance and repair of housing.
- 5.2.1.2. Property taxes and insurance (including property and car).
- 5.2.1.3. Scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost).
- 5.2.1.4. Building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds.
- 5.2.1.5. Utilities, including electricity, gas and water.
- 5.2.1.6. Furniture and equipment.

5.2.2. Ineligible costs include:

- 5.2.2.1. Rental assistance and operating costs in the same project.
- 5.2.2.2. Operating costs of emergency shelter and supportive service-only facilities.
- 5.2.2.3. Maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

**5.3. Supportive Services**

- 5.3.1. Eligible supportive services costs must comply with all HUD regulations in 24 CFR 578.53, and are available to individuals actively participating in the permanent housing program.
- 5.3.2. Eligible costs shall include:
- 5.3.3. Annual assessment of Service Needs. The costs of the assessment required by 578.53(a) (2).
- 5.3.4. Assistance with moving costs. Reasonable one-time moving costs are eligible and include truck rental and hiring a moving company.
- 5.3.5. Case management. The costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant(s) are eligible costs.
- 5.3.6. Child Care. The costs of establishing and operating child care, and providing child-care vouchers, for children from families experiencing homelessness, including providing



Exhibit B

- meals and snacks, and comprehensive and coordinated developmental activities are eligible.
- 5.3.7. Education Services. The costs of improving knowledge and basic educational skills are eligible.
- 5.3.8. Employment assistance and job training. The costs of establishing and operating employment assistance and job training programs are eligible, including classroom, online and/or computer instruction, on-the-job instruction, services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is also an eligible cost.
- 5.3.9. Food. The cost of providing meals or groceries to program participants is eligible.
- 5.3.10. Housing search and counseling services. Costs of assisting eligible program participants to locate, obtain, and retain suitable housing are eligible.
- 5.3.11. Legal services. Eligible costs are the fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with homeless individual or family's ability to obtain and retain housing.
- 5.3.12. Life Skills training. The costs of teaching critical life management skills that may never have been learned or have been lost during course of physical or mental illness, domestic violence, substance abuse, and homelessness are eligible. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are the budgeting of resources and money management, household management, conflict management, shopping for food and other needed items, nutrition, the use of public transportation, and parent training.
- 5.3.13. Mental Health Services. Eligible costs are the direct outpatient treatment of mental health conditions that are provided by licensed professionals. Component services are crisis interventions; counseling; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.
- 5.3.14. Outpatient health services. Eligible costs are the direct outpatient treatment of medical conditions when provided by licensed medical professionals.
- 5.3.15. Outreach Services. The costs of activities to engage persons for the purpose of providing immediate support and intervention, as well as identifying potential program participants, are eligible.
- 5.3.16. Substance abuse treatment services. The costs of program participant intake and assessment, outpatient treatment, group and individual counseling, and drug testing are eligible. Inpatient detoxification and other inpatient drug or alcohol treatment are ineligible.
- 5.3.17. Transportation Services are described in 24CFR 578(e) (15).
- 5.3.18. Utility Deposits. This form of assistance consists of paying for utility deposits. Utility deposits must be one-time, paid to utility companies.
- 5.3.19. Direct provision of services. If the service described in 24CFR 578.53(e) (1)-(16) of this section is being directly delivered by the recipient or subrecipient, eligible costs for those services are described in 24 CFR 578(e) (17).

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5.3.20. Ineligible costs. Any cost not described as eligible costs under this section is not an eligible cost of providing supportive services using Continuum of Care program funds. Staff training and costs of obtaining professional licensure or certifications needed to provide supportive services are not eligible costs.

5.3.21. Special populations. All eligible costs are eligible to the same extent for program participants who are unaccompanied homeless youth; persons living with HIV/AIDS; and victims of domestic violence, dating violence, sexual assault, or stalking.

5.4. Rental Assistance

5.4.1. Grant funds may be used for rental assistance for homeless individuals and families.

5.4.2. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.

5.4.3. Rental assistance must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a) (9) and 24 CFR 578.51. and may be:

5.4.3.1. Short term, up to 3 months of rent;

5.4.3.2. Medium term, for 3-24 months; or

5.4.3.3. Long-term, for longer than 24 months.

5.4.4. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent.

5.4.5. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.

5.4.6. Rental assistance will only be provided for a unit if the rent is reasonable, as determined by the Contractor, in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.

5.4.7. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits.

5.4.8. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.

5.4.9. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.

5.4.9.1. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium





**Exhibit B**


term rental assistance provided under the Rapid Re-Housing program component must be tenant based rental assistance.

- 5.4.9.2. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
- 5.4.9.3. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
- 5.4.9.4. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.

**5.5. Administrative Costs:**

**5.5.1. Eligible administrative costs include:**

- 5.5.1.1. The contractor may use funding awarded under this part, for the payment of project administrative costs related to the planning and execution of Continuum of Care activities. This does not include staff and overhead costs directly related to carrying out activities eligible under 24 CFR 578.43 through 578.57, because those costs are eligible as part of those activities.
- 5.5.1.2. General management, oversight, and coordination. Costs of overall program management, coordination, monitoring and evaluation. These costs include, but are not limited to, necessary expenditures for the following;
- 5.5.1.3. Salaries, wages, and related costs of the staff of the contractor's, or other staff engage in program administration. In charging costs to this category, the contractor may include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The contractor may only use one of these methods for each fiscal year grant. Program administration assignments include the following:
- 5.5.1.4. Preparing program budgets and schedules, and amendments to those budgets and schedules;
- 5.5.1.5. Developing systems for assuring compliance with program requirements;
- 5.5.1.6. Developing interagency agreements and agreements with subrecipients and Contractors to carry out program activities;
- 5.5.1.7. Monitoring program activities for progress and compliance with program requirements;
- 5.5.1.8. Preparing reports and other documents related to the program for submission to HUD;

  
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**Exhibit B**

- 5.5.1.9. Coordinating the solution of audit and monitoring findings;
- 5.5.1.10. Preparing reports and other documents directly related to the program submission to HUD;
- 5.5.1.11. Evaluating program results against stated objectives;
- 5.5.1.12. Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in sections 5.5.1.4. through 5.5.1.11. above, Exhibit B.
- 5.5.1.13. Travel costs incurred for official business in carrying out the program;
- 5.5.1.14. Administrative services performed under third party contracts or agreements, including such services as general legal services, accounting services, and audit services; and;
- 5.5.1.15. Other costs for goods and services required for administration of the program, including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space.
- 5.5.1.16. Training on Continuum of Care requirements. Costs of providing training on Continuum of Care requirements and attending HUD-Sponsored Continuum of Care trainings.
- 5.5.1.17. Environmental review. Costs of carrying out the environmental review responsibilities under 24 CFR 578.31

**5.6. Leasing:**

5.6.1. When the contractor is leasing the structure, or portions thereof, grant funds may be used to pay for 100 percent of the costs of leasing a structure or structures, or portions thereof, to provide housing or supportive services to homeless persons for up to three (3) years. Leasing funds may not be used to lease units or structures owned by the contractor, their parent organization, any other related organization(s), or organizations that are members of a partnership, where the partnership owns the structure, unless HUD authorized an exception for good cause.

**5.6.2. Requirements:**

- 5.6.2.1. Leasing structures. When grants are used to pay rent for all or part of a structure or structures, the rent paid must be reasonable in relation to rents being charged in the area for comparable space. In addition, the rent paid may not exceed rents currently being charged by the same owner for comparable unassisted space.
- 5.6.2.2. Leasing individual units. When the grants are used to pay rent for individual housing units, the rent paid must be reasonable in relation to rents being charged for comparable units, taking into account the location, size, type, quality, amenities, facilities, and management services. In addition, the rents may not exceed rents currently being charged for comparable units, and the rent paid may not exceed HUD-determined fair market rents.
- 5.6.2.3. Utilities. If electricity, gas, and water are included in the rent, these utilities may be paid from leasing funds. If utilities are not provided by landlord, these utility costs are operating costs, except for supportive service facilities. If the structure



**Exhibit B**

is being used as a supportive service facility, then these utility costs are a supportive service cost.

- 5.6.2.4. Security deposits and first and last month's rent. The contractor may use grant funds to pay security deposits, in an amount not to exceed 2 months of actual rent. An advance payment of last month's rent may be provided to the landlord in addition to security deposit and payment of the first month's rent.
  - 5.6.2.5. Occupancy agreements and subleases. Occupancy agreements and subleases are required as specified in 24 CFR 578.77(a).
  - 5.6.2.6. Calculation of occupancy charges and rent. Occupancy charges and rent from program participants must be calculated as provided in 24 CFR 578.77.
  - 5.6.2.7. Program income. Occupancy charges and rent collected from program participants are program income and may be used as provided under 24 CFR 578.97.
  - 5.6.2.8. Transition. Refer to 24CFR 578.49(b)(8)
  - 5.6.2.9. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Contractor.
  - 5.6.2.10. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.
  - 5.6.2.11. The Contractor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.
  - 5.6.2.12. Property damages may only be paid from money paid to the landlord for security deposits.
  - 5.6.2.13. The Contractor cannot lease a building that it already owns to itself.
  - 5.6.2.14. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
- 5.7. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.8. The Contractor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

**6. Contractor Financial Management System**

- 6.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
- 6.2. The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require.

Exhibit B-1 Budget

Supportive Housing Program  
Payment request Form  
2017 NOFA

BHS Use Only  
Vendor # 177511 - R001  
Contract# 1058715 Line #2  
Invoice: SCSCOCRRH  
Descriptor: NH0074LIT001705  
Account: 010-042-7927-102-500731  
Add Activities  
Amount: \$  
Job #  
Amount: \$  
Job #  
Amount: \$  
Job #

Authorizing Signature(s)

BHS USE ONLY

Amount	Staff Initial	Date
\$0.00	KS	
Beth Kelly, Financial Manager		Date

SOUTHWESTERN COMMUNITY SERVICES COC RRH				Billing period:			
Service Period: 1/1/2019 - 12/31/2019							
Billing period:							
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
Activity Name	Activity Budget	SHP Payments Received	Matching Funds Applied	Budgeted Balance Available	Requested This Invoice	Match applied	New Available Balance
Rental Assistance Award	\$87,468.00			\$87,468.00			\$87,468.00
<b>Supportive Services:</b>							
Case Management	\$ 21,116.00			\$ 21,116.00			\$ 21,116.00
Administration Award	\$ 2,735.00			\$ 2,735.00			\$ 2,735.00
25% Required Match	\$ 28,514.00			\$ 28,514.00			\$ 28,514.00
Total HUD Funding	\$111,319.00	\$0.00		\$111,319.00			\$111,319.00
				PLEASE PAY THIS AMOUNT	\$0.00		

SCS RRH Permanent Housing  
SS-2019-BHHS-03-Perma-19

Contractor Initials

Date

*Qpm*  
11/21/18



### **SPECIAL PROVISIONS**

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

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

Exhibit C – Special Provisions

Contractor Initials gm

Date 11/21/18



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

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

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

*Gm*  
Date 11/21/18



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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
  - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
  - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
  - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



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

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

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

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

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

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

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





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

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

**20. Contract Definitions:**

- 20.1. **COSTS:** Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.
- 20.2. **DEPARTMENT:** NH Department of Health and Human Services.
- 20.3. **PROPOSAL:** If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the services and/or goods to be provided by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.
- 20.4. **UNIT:** For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.
- 20.5. **FEDERAL/STATE LAW:** Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from time to time.
- 20.6. **SUPPLANTING OTHER FEDERAL FUNDS:** Funds provided to the Contractor under this Contract will not supplant any existing federal funds available for these services.



**REVISIONS TO GENERAL PROVISIONS**

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



**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

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

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

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

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

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

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

New Hampshire Department of Health and Human Services  
Exhibit D



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

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

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

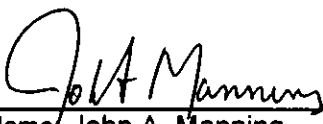
Place of Performance (street address, city, county, state, zip code) (list each location)

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

Contractor Name: Southwestern Community Services, Inc.

11/21/18

Date

  
Name/ John A. Manning  
Title/ Chief Executive Officer

Contractor Initials   
Date 11/21/18



**CERTIFICATION REGARDING LOBBYING**

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

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

Programs (indicate applicable program covered):

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

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

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

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

Contractor Name: Southwestern Community Services, Inc.

11/21/18

Date

Name/ John A. Manning

Title: Chief Executive Officer

11/21/18



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

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

**INSTRUCTIONS FOR CERTIFICATION**

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

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

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

#### PRIMARY COVERED TRANSACTIONS

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

#### LOWER TIER COVERED TRANSACTIONS

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

Contractor Name: Southwestern Community Services, Inc.

11/21/18

Date

Name: John A. Manning

Title: Chief Executive Officer



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

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

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

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

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

Exhibit G

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

Contractor Initials

*Jm*  
11/21/18



New Hampshire Department of Health and Human Services  
Exhibit G



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

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

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

Contractor Name: Southwestern Community Services, Inc.

11/21/18

Date

A handwritten signature in black ink that reads "John A. Manning".

Name: John A. Manning

Title: Chief Executive Officer

Exhibit G

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

Contractor Initials

Handwritten initials "Jm" in black ink.

Date 11/21/18



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name: Southwestern Community Services Inc.

11/21/18

Date

A handwritten signature in black ink that reads "John A. Manning".

Name: John A. Manning

Title: Chief Executive Officer



Exhibit I

**HEALTH INSURANCE PORTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

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

**(1) Definitions.**

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

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Date



Exhibit I

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

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

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



Exhibit I

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

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

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

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

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

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



Exhibit I

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

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

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11/21/18



Exhibit I

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

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

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

**(6) Miscellaneous**

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

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Contractor Initials

Date 11/21/18



Exhibit I

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

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

Department of Health and Human Services

The State

Signature of Authorized Representative

MARK JEWELL

Name of Authorized Representative

DIRECTOR

Title of Authorized Representative

11/29/18

Date

Southwestern Community Services, Inc.

Name of the Contractor

Signature of Authorized Representative

John A. Manning

Name of Authorized Representative

Chief Executive Officer

Title of Authorized Representative

11/21/18

Date

JM  
11/21/18





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

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

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

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

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

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

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

Contractor Name: Southwestern Community Services, Inc.

11/21/18

Date

Name: John A. Manning

Title: Chief Executive Officer

  
11/21/18



**FORM A**

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

1. The DUNS number for your entity is: 081251381
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

x NO                      YES

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

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

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

NO                      YES

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

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

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

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



A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

DHHS Information Security Requirements



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

DHHS Information Security Requirements



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

## II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open



wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

### III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

#### A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

DHHS Information Security Requirements



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

**B. Disposition**

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

**IV. PROCEDURES FOR SECURITY**

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from



New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

**DHHS Information Security Requirements**

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5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

# State of New Hampshire

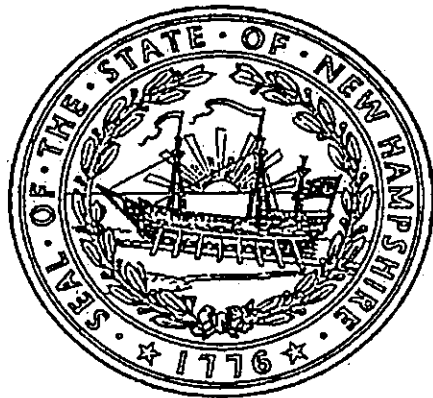
## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SOUTHWESTERN COMMUNITY SERVICES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 19, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 65514

Certificate Number : 0004080353



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. 2018.

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

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

I, Elaine M. Amer, Clerk Secretary, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Southwestern Community Services, Inc.  
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of  
the Agency duly held on February 18, 2016:  
(Date)

**RESOLVED:** That the Chief Executive Officer  
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of  
the 21st day of November, 2018.  
(Date Contract Signed)

4. John A. Manning is the duly elected Chief Executive Officer  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

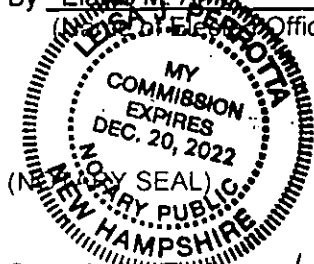
Elaine M. Amer  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Cheshire

The forgoing instrument was acknowledged before me this 21st day of November, 2018.

By Elaine M. Amer  
(Name of Elected Officer of the Agency)



Leisa Perrotta  
Leisa Perrotta Notary

Commission Expires: 12/20/22

gm  
11/21/18



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# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/13/2018

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

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

<b>PRODUCER</b> Clark - Mortenson Insurance P.O. Box 606 Keene NH 03431	<b>CONTACT</b> NAME: PHONE (A/C, No, Ext): 603-352-2121 FAX (A/C, No): 603-357-8491 E-MAIL ADDRESS: csr24@clark-mortenson.com	
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> Southwestern Comm Services Inc PO Box 603 Keene NH 03431	<b>INSURER A:</b> Philadelphia Insurance Company	
	<b>INSURER B:</b> Maine Employer Mutual Insurance Co.	
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
<b>INSURER F:</b>		

**COVERAGES**

CERTIFICATE NUMBER: 1745208679

REVISION NUMBER:

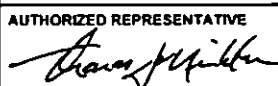
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE 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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <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 OTHER:			PHPK1835086	6/30/2018	6/30/2019	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/OP AGG \$ 2,000,000 \$
A	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PHPK1835086	6/30/2018	6/30/2019	COMBINED SINGLE LIMIT (Ea accident) \$ \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB633333	6/30/2018	6/30/2019	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	3102800768	4/1/2018	4/1/2019	PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A	<b>Professional Liability</b>			PHPK1835086	6/30/2018	6/30/2019	\$1,000,000 per occurrence \$2,000,000 general aggregate

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

Workers Compensation Statutory coverage provided for the State of NH  
All Executive Officers are included in the Workers Compensation coverage

**CERTIFICATE HOLDER**

NH DHHS Contracts Unit Brown Building 129 Pleasant Street Concord NH 03301	<b>CANCELLATION</b>  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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# **Mission Statement**

## **Southwestern Community Services**

**SCS** strives to **empower** low income people and families. With **dignity and respect**, **SCS** will provide direct assistance, reduce stressors and advocate for such persons and families as they lift themselves toward **self-sufficiency**.

In **partnership** and close **collaboration** with local communities, **SCS** will provide **leadership** and **support** to develop resources, programs and services to further aid this population.



*Financial Statements*

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**SOUTHWESTERN COMMUNITY SERVICES, INC.  
AND RELATED COMPANIES**

**FOR THE YEARS ENDED  
MAY 31, 2018 AND 2017  
AND  
INDEPENDENT AUDITORS' REPORTS**

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MAY 31, 2018 AND 2017**

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**Leone,  
McDonnell  
& Roberts**

PROFESSIONAL ACCOUNTANTS  
CERTIFIED PUBLIC ACCOUNTANTS  
WOLFEBORO • NORTH CONCORD  
EXETER • CONCORD  
STRATFORD

To the Board of Directors of  
Southwestern Community Services, Inc.  
Keene, New Hampshire

**INDEPENDENT AUDITORS' REPORT**

**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statements of financial position as of May 31, 2018 and 2017, and the related consolidated statements of cash flows, and notes to the consolidated financial statements for the years then ended, and the related consolidated statements of activities and functional expenses for the year ended May 31, 2018.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

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

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

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

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Southwestern Community Services, Inc. and related companies as of May 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Southwestern Community Services, Inc. and related companies' 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 11, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of Functional Revenues and Expenses, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2018, on our consideration of Southwestern Community Services, 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* in considering Southwestern Community Services, Inc.'s internal control over financial reporting and compliance.

*Leone McDonnell & Roberts*  
*Professional Association*

September 17, 2018.  
Wolfeboro, New Hampshire

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
MAY 31, 2018 AND 2017****ASSETS**

	<u>2018</u>	<u>2017</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,086,895	\$ 947,175
Accounts receivable	1,095,486	1,360,685
Prepaid expenses	35,019	19,252
Notes receivable	112,000	112,000
Interest receivable	<u>45,547</u>	<u>41,067</u>
Total current assets	<u>2,374,947</u>	<u>2,480,179</u>
<b>PROPERTY</b>		
Land and buildings	14,438,178	13,335,396
Vehicles and equipment	549,305	703,635
Furniture and fixtures	<u>39,617</u>	<u>25,756</u>
Total property	15,027,100	14,064,787
Less accumulated depreciation	<u>4,880,952</u>	<u>4,579,760</u>
Property, net	<u>10,146,148</u>	<u>9,485,027</u>
<b>OTHER ASSETS</b>		
Investment in related parties	88,706	142,782
Due from related parties	152,959	219,108
Cash escrow and reserve funds	517,853	359,589
Security deposits	51,996	37,906
Other assets	<u>384</u>	<u>384</u>
Total other assets	<u>811,898</u>	<u>759,769</u>
Total assets	<u>\$ 13,332,993</u>	<u>\$ 12,724,975</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 124,085	\$ 166,495
Accrued expenses	206,178	233,842
Accrued payroll and payroll taxes	250,692	241,035
Other current liabilities	135,573	148,698
Refundable advances	193,931	238,345
Current portion of long term debt	<u>216,438</u>	<u>211,313</u>
Total current liabilities	1,126,897	1,239,728
<b>NONCURRENT LIABILITIES</b>		
Long term debt, less current portion shown above	<u>8,273,983</u>	<u>8,087,475</u>
Total liabilities	<u>9,400,880</u>	<u>9,327,203</u>
<b>NET ASSETS</b>		
Unrestricted	3,774,641	3,243,933
Temporarily restricted	<u>157,472</u>	<u>153,839</u>
Total net assets	<u>3,932,113</u>	<u>3,397,772</u>
Total liabilities and net assets	<u>\$ 13,332,993</u>	<u>\$ 12,724,975</u>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2018  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2018 Total</u>	<u>2017 Total</u>
<b>REVENUES AND OTHER SUPPORT</b>				
Government contracts	\$ 11,055,093	\$ -	\$ 11,055,093	\$ 9,722,823
Program service fees	1,868,188	-	1,868,188	1,862,236
Rental income	801,642	-	801,642	661,932
Developer fee income	50,000	-	50,000	265,000
Support	389,363	119,866	509,229	400,116
Fundraising	105,286	-	105,286	80,170
Interest income	8,959	-	8,959	6,699
Forgiveness of debt	75,971	-	75,971	90,148
Miscellaneous	100,772	-	100,772	140,537
In-kind contributions	161,852	-	161,852	162,966
Total revenues and other support	14,617,126	119,866	14,736,992	13,392,627
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>116,233</u>	<u>(116,233)</u>	<u>-</u>	<u>-</u>
Total revenues, other support, and net assets released from restrictions	<u>14,733,359</u>	<u>3,633</u>	<u>14,736,992</u>	<u>13,392,627</u>
<b>EXPENSES</b>				
<b>Program services</b>				
Home energy programs	4,847,201	-	4,847,201	3,812,708
Education and nutrition	2,530,152	-	2,530,152	2,367,558
Homeless programs	2,172,388	-	2,172,388	2,056,525
Housing services	2,048,214	-	2,048,214	2,073,178
Economic development services	728,119	-	728,119	571,865
Other programs	945,391	-	945,391	963,917
Total program services	13,271,465	-	13,271,465	11,845,751
<b>Supporting activities</b>				
Management and general	1,749,700	-	1,749,700	1,776,106
Total expenses	<u>15,021,165</u>	<u>-</u>	<u>15,021,165</u>	<u>13,621,857</u>
<b>CHANGES IN NET ASSETS BEFORE LOSS ON SALE OF PROPERTY</b>	<u>(287,806)</u>	<u>3,633</u>	<u>(284,173)</u>	<u>(229,230)</u>
<b>LOSS ON SALE OF PROPERTY</b>	<u>(4,583)</u>	<u>-</u>	<u>(4,583)</u>	<u>(19,355)</u>
<b>(LOSS) GAIN ON INVESTMENT IN LIMITED PARTNERSHIPS</b>	<u>(188)</u>	<u>-</u>	<u>(188)</u>	<u>132,782</u>
<b>CHANGE IN NET ASSETS</b>	<u>(292,577)</u>	<u>3,633</u>	<u>(288,944)</u>	<u>(115,803)</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,243,933</u>	<u>153,839</u>	<u>3,397,772</u>	<u>3,513,575</u>
<b>NET ASSETS TRANSFERRED FROM LIMITED PARTNERSHIP</b>	<u>823,285</u>	<u>-</u>	<u>823,285</u>	<u>-</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>4,067,218</u>	<u>153,839</u>	<u>4,221,057</u>	<u>3,513,575</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,774,641</u>	<u>\$ 157,472</u>	<u>\$ 3,932,113</u>	<u>\$ 3,397,772</u>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES****CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MAY 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (288,944)	\$ (115,803)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation and amortization	467,929	415,720
Loss on sale of property	4,583	19,355
Loss (gain) on investment in limited partnerships	188	(132,782)
Forgiveness of debt	(75,971)	(90,148)
(Increase) decrease in assets:		
Accounts receivable	265,199	(258,318)
Prepaid expenses	(3,439)	4,161
Interest receivable	(4,480)	(4,480)
Due from related parties	66,149	73,417
Security deposits	(2,623)	(1,945)
Increase (decrease) in liabilities:		
Accounts payable	(53,220)	11,248
Accrued expenses	(38,863)	87,479
Accrued payroll and payroll taxes	9,657	22,853
Other current liabilities	(13,125)	(32,998)
Refundable advances	(44,414)	37,281
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>288,626</u>	<u>35,040</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease (increase) in escrow funds	5,846	(18,222)
Proceeds from sale of property	-	6,000
Purchase of property	(142,791)	(247,598)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(136,945)</u>	<u>(259,820)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term debt	76,143	106,019
Repayment of long term debt	(112,612)	(122,890)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(36,469)</u>	<u>(16,871)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	115,212	(241,651)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	947,175	1,188,826
<b>CASH TRANSFERRED FROM LIMITED PARTNERSHIP</b>	<u>24,508</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,086,895</u>	<u>\$ 947,175</u>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED MAY 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	<u>\$ 142,467</u>	<u>\$ 141,285</u>
<b>SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Property financed by long term debt	<u>\$ -</u>	<u>\$ 33,100</u>
Transfer of assets from newly consolidated LP:		
Prepaid expenses	\$ (12,328)	\$ -
Land and buildings	(894,504)	-
Furniture and fixtures	(96,338)	-
Cash escrow and reserve funds	(164,110)	-
Security deposits	<u>(11,467)</u>	<u>-</u>
Total transfer of assets from newly consolidated LP	<u>\$ (1,178,747)</u>	<u>\$ -</u>
Transfer of liabilities from newly consolidated LP:		
Accounts payable	\$ 10,810	\$ -
Accrued expenses	11,199	-
Long term debt	<u>304,073</u>	<u>-</u>
Total transfer of liabilities from newly consolidated LP	<u>\$ 326,082</u>	<u>\$ -</u>
Total partners' capital from newly consolidated LP	<u>\$ 877,173</u>	<u>\$ -</u>
Partners' capital previously recorded as investment in related parties	<u>(53,888)</u>	<u>-</u>
Total transfer of partners' capital from newly consolidated LP	<u>\$ 823,285</u>	<u>\$ -</u>

See Notes to Consolidated Financial Statements



**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED MAY 31, 2018  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2018 Total	2017 Total
Payroll	\$ 398,452	\$ 1,208,631	\$ 435,538	\$ 771,028	\$ 405,189	\$ 439,358	\$ 3,658,190	\$ 774,486	\$ 4,432,862	\$ 4,142,943
Payroll taxes	31,599	99,882	34,153	56,803	30,418	36,918	289,771	80,913	350,684	331,590
Employee benefits	122,782	453,204	148,394	278,393	87,744	187,020	1,275,517	54,590	1,330,107	1,351,924
Retirement	24,960	69,878	21,031	84,244	19,280	17,448	216,821	73,148	289,969	274,815
Advertising	-	142	1,897	4,168	2,114	18,172	24,491	-	24,491	29,517
Bank charges	15	-	120	3,834	-	-	3,969	9,079	13,048	12,127
Computer cost	-	9,185	4,300	14,144	14,298	3,500	45,427	62,052	107,479	115,143
Contractual	518,340	52,463	242,935	20,362	2,718	109,718	948,536	14,921	961,457	587,284
Depreciation	-	28,300	108,291	167,840	-	18,131	320,562	147,387	467,929	415,720
Dues/registration	-	6,036	-	343	988	997	8,364	10,175	16,539	19,077
Duplicating	1,584	8,148	-	-	-	-	9,732	4,321	14,053	9,842
Insurance	5,909	13,381	23,853	52,287	14,610	6,248	118,068	38,380	154,448	147,175
Interest	-	8,656	7,759	8,997	-	2,554	25,966	118,501	142,467	141,285
Meeting and conference	3,961	58	9,293	7,177	600	19,305	40,394	35,924	76,318	49,122
Miscellaneous expense	909	971	2,303	18,696	4,442	18,580	45,881	13,182	59,063	168,334
Miscellaneous taxes	-	-	-	26,381	-	-	26,381	986	27,367	32,858
Equipment purchases	4,670	24,320	80	12,348	-	-	41,418	2,305	43,723	9,991
Office expense	34,413	12,613	8,440	14,506	12,042	4,078	86,090	20,402	106,492	73,351
Postage	132	274	182	31	348	50	1,017	22,918	23,935	24,329
Professional fees	4,890	-	1,875	15,879	-	-	22,644	83,796	106,410	134,341
Staff development and training	1,430	23,724	2,624	8,287	5,675	28,044	69,784	2,943	72,727	51,472
Subscriptions	-	-	28	87	-	-	115	1,329	1,444	2,397
Telephone	2,086	15,297	19,681	14,569	2,435	3,239	57,307	56,576	113,883	114,072
Travel	5,335	20,013	20,312	5,195	29,509	2,000	82,364	3,509	85,873	77,044
Vehicle	2,140	2,510	712	31,826	45,200	9,201	91,589	10,981	102,570	85,571
Rent	-	25,201	-	-	-	-	25,201	-	25,201	25,250
Space costs	148	140,213	258,849	438,344	-	1,009	838,563	128,968	965,529	934,572
Direct client assistance	3,683,466	145,220	823,938	14,447	50,531	23,843	4,741,445	-	4,741,445	4,097,767
In-kind expenses	-	161,852	-	-	-	-	161,852	-	161,852	162,966
<b>TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION</b>	<b>4,847,201</b>	<b>2,530,152</b>	<b>2,172,368</b>	<b>2,048,214</b>	<b>728,119</b>	<b>945,391</b>	<b>13,271,485</b>	<b>1,749,700</b>	<b>15,021,165</b>	<b>13,821,857</b>
Allocation of management and general expenses	839,051	333,574	286,406	270,035	95,995	124,839	1,749,700	(1,749,700)	-	-
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 5,486,252</b>	<b>\$ 2,863,726</b>	<b>\$ 2,458,794</b>	<b>\$ 2,318,249</b>	<b>\$ 824,114</b>	<b>\$ 1,070,030</b>	<b>\$ 15,021,165</b>	<b>\$ -</b>	<b>\$ 15,021,165</b>	<b>\$ 13,821,857</b>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MAY 31, 2018 AND 2017**

**NOTE 1      ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

Southwestern Community Services, Inc. (the Organization) is a New Hampshire nonprofit corporation formed as an umbrella corporation that offers an array of services to the elderly, disabled, and low-income households in the Cheshire and Sullivan counties of New Hampshire. Various programs provide assistance in the areas of education, child development, employment, energy and its conservation, housing, and homelessness prevention. Services are provided through Southwestern Community Services, Inc., and its related corporations, SCS Management Corporation, SCS Housing, Inc., SCS Development Corporation, SCS Housing Development, Inc., and various limited partnerships, as described below. The Organization is committed to providing respectful support service and assisting individuals and families in achieving self-sufficiency by helping them overcome the causes of poverty. The primary source of revenues is derived from governmental contracts.

**Basis of Accounting**

The consolidated financial statements of Southwestern Community Services, Inc. and related companies have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles.

**Principles of Consolidation**

The consolidated financial statements include the accounts of Southwestern Community Services, Inc. and the following entities as Southwestern Community Services, Inc. has both an economic interest and control of the entities through a majority voting interest in their governing board. All significant intercompany items and transactions have been eliminated from the basic consolidated financial statements.

- SCS Management Corporation
- SCS Housing, Inc.
- SCS Development Corporation
- SCS Housing Development, Inc.
- Drewsville Carriage House Associates, Limited Partnership (Drewsville)
- Jaffrey Housing Associates, Limited Partnership (Jaffrey)
- Troy Senior Housing Associates, Limited Partnership (Troy Senior)
- Keene East Side Senior Housing Associates, Limited Partnership (Keene East Side)
- Winchester Senior Housing Associates, Limited Partnership (Winchester) (2018 only)

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Accounting Standard Codification No. 958-210, Financial Statements of Not-for-Profit Organizations. Under FASB ASC 958-210, 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 based upon the existence or absence of donor-imposed 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:** Net assets reflecting 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.

As of May 31, 2018 and 2017, the Organization had unrestricted and temporarily restricted net assets.

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 May 31, 2017 from which the summarized information was derived.

**Refundable Advances**

The Organization records grant and contract revenue as refundable advances until it is expended for the purpose of the grant or contract, at which time it is recognized as revenue.

**In-Kind Support**

The Organization records various types of in-kind support including professional services and materials. Contributed professional services are recognized if the service received creates or enhances long-lived assets or requires specialized skill, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received.

### **Estimates**

The presentation 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**

For purposes of the statement of cash flows, the Organization considers all liquid investments purchased with original maturities of three months or less to be cash equivalents.

### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. 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. The allowance for uncollectible accounts was estimated to be zero at May 31, 2018 and 2017. The Organization has no policy for charging interest on overdue accounts.

### **Notes Receivable**

The Organization has two notes receivable from an unrelated third party. The notes receivables are stated at the amount that is expected to be collected at year end. Interest is accrued at a rate of 4% annually. The balance of the notes receivable and related interest receivable at May 31, 2018 was \$112,000 and \$45,547, respectively. At May 31, 2017, the balance of the notes receivable and related interest receivable were \$112,000 and \$41,067, respectively.

### **Current Vulnerability Due to Certain Concentrations**

The Organization is operated in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or Legislature. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. For the years ended May 31, 2018 and 2017, approximately 75% and 73%, respectively, of the Organization's total revenue was received from government agencies. The future nature of the organization is dependent upon continued support from the government.

### **Concentration of Credit Risk**

The Organization maintains its cash accounts in several financial institutions, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to these accounts.

### **Property and Depreciation**

Purchased property and equipment are stated at cost at the date of acquisition or at fair value at the date of receipt in the case of donated property. The Organization generally capitalizes and depreciates all assets with a cost greater than \$5,000 and an expected life greater than one year. 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	10 - 40 Years
Vehicles and equipment	5 - 10 Years
Furniture and fixtures	7 Years

The use of certain assets is specified under the terms of grants received from agencies of the federal government. These grants also place liens on certain assets and impose restrictions on the use of funds received from the disposition of the property. Depreciation expense for the years ended May 31, 2018 and 2017 totaled \$467,929 and \$415,720, respectively.

### **Advertising**

The Organization expenses advertising costs as incurred.

### **Revenue Recognition**

Amounts received from conditional grants and contracts received for specific purposes are generally recognized as income to the extent that related expenses and conditions are incurred or met. Conditional grants received prior to the conditions being met are reported as refundable advances. Contributions of cash and other assets are reported as restricted if they are received with donor imposed stipulations that limit the use of the donated assets. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.

### **Income Taxes**

Southwestern Community Services, Inc. and SCS Management Corporation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and are not private foundations. As such, they are exempt from income tax on their exempt function income.

SCS Housing, Inc., SCS Development Corporation and SCS Housing Development, Inc. are taxed as corporations. SCS Housing Inc. has federal net operating loss carryforwards totaling \$915,425 and \$840,803 at May 31, 2018 and 2017, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2027. SCS Development Corporation has federal net operating loss carryforwards totaling \$607 and \$629 at May 31, 2018 and 2017, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2020.

The tax effects of the carryforwards as related to deferred tax assets is as follows as of May 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Tax benefit from loss carryforwards	\$137,408	\$126,215
Valuation allowance	<u>(137,408)</u>	<u>(126,215)</u>
Deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

Drewsville, Jaffrey, Troy Senior, Winchester and Keene East Side are taxed as partnerships. Federal income taxes are not payable by, or provided for these entities. Earnings and losses are included in the partners' federal income tax returns based on their share of partnership earnings. Partnerships are required to file income tax returns with the State of New Hampshire and pay an income tax at the state's statutory rate.

Accounting Standard Codification No. 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 position taken on its income tax returns for all open years (tax years ending May 31, 2015 – 2018), and has concluded that no additional provision for income taxes is necessary in the Organization's financial statements.

#### **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, accounts receivables, prepaid expenses, accounts payable, accrued expenses, and refundable advances approximates fair value because of the short maturity of those instruments.

**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.

**NOTE 2      BANK LINE OF CREDIT**

The Organization has a \$250,000 revolving line of credit agreement with a bank. Interest is due monthly and is stated at the Wall Street Journal Prime Rate. The line is secured by all the Organization's assets. As of May 31, 2018 and 2017, the interest rate was 4.75% and 4.00%, respectively. There was no outstanding balance at May 31, 2018 and 2017.

**NOTE 3      LONG TERM DEBT**

The long term debt at May 31, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
1% mortgage payable to New Hampshire Housing in monthly installments for principal and interest of \$891 through August 2032. The note is secured by real estate of the Organization (NHHFA, 96 Main Street).	\$ 154,832	\$ 163,926
Non-interest bearing mortgage payable to Community Development Finance Authority, in quarterly principal payments based on operating income formula applied to affordable housing portion of the specified real estate. The note is secured by real estate of the Organization (CDFA, 96 Main Street).	32,147	32,147
4.5% note payable to a bank in monthly installments for principal and interest of \$978 through March 2021. The note is secured by real estate of the Organization (People's United Bank, Ashuelot).	31,143	42,099

Non-interest bearing mortgage payable to New Hampshire Housing. Payment is deferred for 30 years, through September 2031, or until project is sold or refinanced. The note is secured by real estate of the Organization (NHHFA, 17 Pearl).	244,505	244,505
Non-interest bearing mortgage payable to New Hampshire Housing. Payment is deferred for 30 years, through July 2032, unless there is surplus cash from which to make a payment, or until project is sold or refinanced. The note is secured by real estate of the Organization (NHHFA, 41-43 Central).	376,363	376,558
4.25% mortgage payable to a bank in monthly installments for principal and interest of \$1,875 through December 2016, with a balloon payment that was due January 2017. The note was amended during the year ended May 31, 2018 and is now due December 2026. Under the amendment, interest rate is 4.94% and monthly installments for principal and interest are \$1,957. The note is secured by real estate of the Organization (People's United Bank, Milestones).	162,223	177,050
4.375% note payable to Rural Housing Service in monthly installments for principal and interest of \$11,050 through May 2049. The note is secured by real estate of the Organization (TD Bank, Keene Office).	2,247,266	2,280,750
Non-interest bearing note payable to Cheshire County in New Hampshire. Payment is not necessary unless Organization defaults on contract. The note is secured by real estate of the Organization (CDBG, Keene Office).	460,000	460,000
4% note payable to a development company, in annual interest installments only through March 2015 at which time a final balloon payment of the entire principal balance was due. The remaining balance is still outstanding at May 31, 2018 and is classified as current. The note is secured by real estate of the Organization (MEDC, Keene Office/Community Way).	63,000	63,000



4% note payable to a development company, in annual interest installments only through March 2015 at which time a final balloon payment of the entire principal balance was due. The remaining balance is still outstanding at May 31, 2018 and is classified as current. The note is secured by real estate of the Organization (MEDC, Keene Office/Community Way).	45,000	45,000
Note payable to a bank in monthly installments for principal and interest of \$2,463 including interest through May 2039. Interest is adjusted every five years based on remaining principal balance and "Classic Advantage Rate" provided by Federal Home Loan Bank of Boston which resulted in an interest rate of 4.07% at May 31, 2018 and 2017. The note is secured by real estate of the Organization (TD Bank, Keene Office/Community Way).	414,567	426,734
5.19% note payable to a bank in monthly installments for principal and interest of \$889 through May 2021. The note is secured by real estate of the Organization (TD Bank, 45 Central Street).	100,254	105,495
Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note is forgiven each year providing the property is used for low income housing through January 2025. The note is secured by real estate of the Organization (HUD, Ashuelot).	150,000	175,000
Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note is forgiven each year providing the property is used for low income housing through January 2025. The note is secured by real estate of the Organization (HUD, 112 Charlestown Road).	90,000	105,000
Non-interest bearing note payable to New Hampshire Finance Authority in annual payments in the amount of 50% of annual surplus cash through July 2042 at which time the remaining balance is due. The note is secured by real estate of the Organization (NHHFA, Second Chance).	794,189	794,189

Non-interest bearing note payable to a county in New Hampshire. No payment is due and 5% of the balance is forgiven each year through 2032 when the remaining balance becomes due. The note is secured by real estate of the Organization (CDBG, Second Chance).

363,677 382,818

3.99% note payable to a bank in monthly installments for principal and interest of \$355. The note was paid off in May 2018. The note was secured by a vehicle of the Organization (Ally, Kia Soul).

- 4,070

6.99% note payable to a finance company in monthly installments for principal and interest of \$652 through June 2019. The note is secured by a vehicle (TCF, Econoline Van).

8,741 15,688

5.54% note payable to a finance company in monthly installments for principal and interest of \$543 through August 2022. The note is secured by a vehicle (Ally, Econoline Van).

24,564 29,572

Jaffrey - 30-year deferred note payable to the Town of Jaffrey, New Hampshire. Payment of principal and accrued interest at 1% are deferred until the note matures in June 2027. The note is secured by land and buildings. The balance includes cumulative accrued interest of \$53,651 (CDBG).

303,651 300,645

Jaffrey - 6% note payable to a bank in monthly installments for principal and interest of \$485 through August 2027. The note is secured by land and buildings (TD Bank).

41,099 43,533

Troy Senior - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in June 2029. The note is secured by real estate of the Organization (CDBG).

640,000 640,000

Troy Senior - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficiency improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization (NHHFA):

140,210 140,210

Keene East Side - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in December 2028. The note is secured by real estate of the Organization (CDBG).	900,000	900,000
Keene East Side - Non-interest bearing note payable to New Hampshire Community Development Finance Authority (CDFA) to fund energy upgrades and capital improvements. Beginning in 2016, 10% of the note is forgiven each year based on the rolling balance. The mortgage may be released after ten years in January 2026. The note is secured by real estate of the Organization (CDFA).	178,172	121,865
Keene East Side - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficiency improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization (NHHFA).	228,934	228,934
Winchester - Non-recourse mortgage note payable to New Hampshire Housing (AHF), due May 2032, payable in monthly installments of \$370, including interest at 2.00%, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage note (NHHFA).	53,826	-
Winchester - Non-recourse, zero interest bearing mortgage note payable to New Hampshire Housing (FAF), due May 2032, payable at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30-year term of the mortgage note (NHHFA).	92,058	-

Winchester - Non-recourse, zero interest bearing, direct subsidy AHP loan secured by the Partnership's land and buildings, subject to low-income housing restrictions under the terms of the AHP agreement. In the event of a default under the aforementioned agreement, the loan is due upon demand with interest accrued at a rate of 11.67% for the period the funds were outstanding (Federal Loan Home Bank).

	<u>150,000</u>	<u>-</u>
	8,490,421	8,298,788
Less current portion due within one year	<u>216,438</u>	<u>211,313</u>
	<u>\$ 8,273,983</u>	<u>\$ 8,087,475</u>

The schedule of maturities of long term debt at May 31, 2018 is as follows:

Year Ending <u>May 31</u>	<u>Amount</u>
2019	\$ 216,438
2020	106,557
2021	108,028
2022	102,681
2023	102,148
Thereafter	<u>7,854,569</u>
Total	<u>\$ 8,490,421</u>

#### NOTE 4 OPERATING LEASES

The Organization leases facilities, equipment and vehicles under non-cancelable lease agreements at various financial institutions. Lease periods range from month to month to 2022. Monthly lease payments range from \$200 to \$3,521. Lease expense for the years ended May 31, 2018 and 2017 totaled \$176,479 and \$179,178, respectively.

Future minimum payments as of May 31, 2018 on the above leases are as follows:

Year Ending <u>May 31</u>	<u>Amount</u>
2019	\$ 76,776
2020	22,372
2021	18,977
2022	<u>15,618</u>
Total	<u>\$ 133,743</u>

**NOTE 5      ACCRUED COMPENSATED BALANCES**

At May 31, 2018 and 2017, the Organization accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$130,140 and \$127,577, respectively.

**NOTE 6      CONTINGENCIES**

Southwestern Community Services, Inc. is the 100% owner of SCS Housing, Inc. and SCS Housing Development, Inc. SCS Housing, Inc. and SCS Housing Development, Inc. are the general partners of ten limited partnerships formed to develop low-income housing projects through the use of Low Income Housing Tax Credits. Southwestern Community Services, Inc., SCS Housing, Inc. and SCS Housing Development, Inc. have guaranteed repayment of liabilities of various partnerships totaling approximately \$15,569,000 and \$15,590,000 at May 31, 2018 and 2017, respectively.

Partnership real estate with a cost basis of approximately \$41,158,000 and \$41,027,000 provides collateral on these loans at May 31, 2018 and 2017, respectively.

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 costs were found not to have been incurred 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 May 31, 2018 and 2017.

**NOTE 7      RELATED PARTY TRANSACTIONS**

During the years ended May 31, 2018 and 2017, SCS Housing, Inc. managed ten limited partnerships. Management fees charged by SCS Housing, Inc. totaled \$322,973 and \$308,448, for the years ended May 31, 2018 and 2017, respectively. Additionally, SCS Housing, Inc. has advanced the limited partnerships funds for cash flow purposes over several years.

The Organization has also advanced funds to a related entity for Department of Housing and Urban Development (HUD) sponsorship purposes.

The total amount due and expected to be collected from the limited partnerships and related entity was \$142,959 and \$219,108 at May 31, 2018 and 2017, respectively.

**NOTE 8****EQUITY INVESTMENT**

Southwestern Community Services, Inc. and related companies use the equity method to account for their financial interests in the following companies:

	<u>2018</u>	<u>2017</u>
Cityside Housing Associates, LP	\$ (9,492)	\$ (9,481)
Marlborough Homes, LP	8	30
Payson Village Senior Housing Associates, LP	(12,491)	(12,477)
Railroad Square Senior Housing Associates, LP	(1,715)	(1,527)
Warwick Meadows Housing Associates, LP	(17)	(9)
Woodcrest Drive Housing Associates, LP	222,846	222,850
Winchester Senior Housing Associates, LP	-	53,888
Westmill Senior Housing, LP	90	-
Swanzy Township Housing Associates, LP	(31,190)	(31,183)
Snow Brook Meadow Village Housing Associates, LP	(60,716)	(60,709)
Keene Highland Housing Associates, LP	(243)	(226)
Pilot Health, LLC	<u>(18,374)</u>	<u>(18,374)</u>
	<u>\$ 88,706</u>	<u>\$ 142,782</u>

SCS Housing Development, Inc. is a 0.01% partner of Cityside Housing Associates, LP, Marlborough Homes, LP, Payson Village Senior Housing Associates, LP, Warwick Meadows Housing Associates, LP, and Woodcrest Drive Housing Associates, LP, a 0.10% partner of Railroad Square Senior Housing Associates, LP, and a 1% partner in Westmill Senior Housing, LP during the years ended May 31, 2018 and 2017.

SCS Housing, Inc. is a 0.01% partner of Winchester Senior Housing Associates, LP, Swanzy Township Housing Associates, LP, Snow Brook Meadow Village Housing Associates, LP, and Keene Highland Housing Associates, LP during the years ended May 31, 2018 and 2017.

The remaining 99.99% ownership interest in Winchester Senior Housing Associates, LP was acquired by Southwestern Community Service, Inc. during the year ended May 31, 2018 (see Note 12), and therefore the limited partnership is included in the consolidated financial statements for the year ended May 31, 2018.

Southwestern Community Services, Inc. is 14.3% member of Pilot Health, LLC.

Summarized financial information for entities accounted for under the equity method, as of May 31, 2018 and 2017, consists of the following:

	<u>2018</u>	<u>2017</u>
Total assets	\$ <u>32,782</u>	\$ <u>33,140</u>
Total liabilities	47,461	47,490
Capital/Member's equity	<u>(14,679)</u>	<u>(14,350)</u>
	<u>\$ 32,782</u>	<u>\$ 33,140</u>
Income	\$ 84,713	\$ 84,728
Expenses	<u>81,478</u>	<u>81,515</u>
Net income	<u>\$ 3,235</u>	<u>\$ 3,213</u>

**NOTE 9**      **RETIREMENT PLAN**

The Organization maintains a tax sheltered annuity plan under the provisions of Section 403(b) of the internal Revenue Code. All employees who have had at least 30 days of service to the Organization are eligible to contribute to the plan. The Organization begins matching contributions after the employee has reached one year of service. Employer contributions are at the Organization's discretion and totaled \$281,784 and \$274,815 for the years ended May 31, 2018 and 2017, respectively.

**NOTE 10**      **RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2018</u>	<u>2017</u>
NNECAC – Annual Conference Fund	\$ 21,327	\$ 38,129
WM Marcello GAPS Fund	12,781	14,789
Stand Down	4,963	-
GAPS/Warm Fund	<u>118,401</u>	<u>100,921</u>
Total temporarily restricted net assets	<u>\$ 157,472</u>	<u>\$ 153,839</u>

**NOTE 11**      **FORGIVENESS OF DEBT**

During the year ended May 31, 2018, the Organization realized forgiveness of debt income in connection with notes payable to the County of Cheshire, HUD and Community Development Finance Authority. Forgiveness of debt income totaled \$75,971 for the year ended May 31, 2018.

During the year ended May 31, 2017, the Organization realized forgiveness of debt income in connection with notes payable to the County of Cheshire, HUD and New Hampshire Housing. Forgiveness of debt income totaled \$90,148 for the year ended May 31, 2017.

**NOTE 12     TRANSFER OF PARTNERSHIP INTEREST**

During 2018, Southwestern Community Services, Inc. acquired a partnership interest in a low-income housing limited partnership: Winchester. The amount paid for the partnership interest was \$1 and at the time of acquisition, Southwestern Community Services, Inc. became the general partner. The following is a summary of the assets and liabilities of the partnership at the date of acquisition:

Date of transfer	<u>08/16/2018</u>
	<u>Winchester</u>
Cash	\$ 24,508
Security deposits	11,467
Cash-reserves	164,110
Property – net	990,842
Other assets	<u>12,328</u>
Total assets	<u>1,203,255</u>
Notes payable	304,073
Other liabilities	<u>22,009</u>
Total liabilities	<u>326,082</u>
Partners' capital	877,173
Partners' capital previously recorded as an investment in related parties	<u>(53,888)</u>
Partners' capital transferred	<u>\$ 823,285</u>

**NOTE 13     RECLASSIFICATION**

Certain amounts and accounts from the prior year's financial statements were reclassified to enhance comparability with the current year's financial statements.

**NOTE 14     SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date, but arose after that date. Management has evaluated subsequent events through September 17, 2018, the date the financial statements were available to be issued.



**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**  
**CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES**  
**FOR THE YEAR ENDED MAY 31, 2018**  
**WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2018 Total	2017 Total
<b>REVENUES</b>										
Government contracts	\$ 4,934,242	\$ 2,823,898	\$ 1,920,112	\$ 47,823	\$ 758,952	\$ 188,921	\$ 10,849,748	\$ 405,345	\$ 11,055,093	\$ 9,722,823
Program service fees	-	-	78,508	978,904	17,915	794,883	1,868,188	-	1,868,188	1,862,236
Rental income	-	-	117,370	884,072	-	200	801,842	-	801,842	881,932
Developer income	-	-	-	50,000	-	-	50,000	-	50,000	285,000
Support	104,817	35,405	99,437	-	139,240	130,530	509,229	-	509,229	400,118
Fundraising	-	-	80	-	-	105,208	105,288	-	105,288	80,170
Interest income	23	7	1,051	1,362	-	35	2,478	8,481	8,959	8,699
Forgiveness of Debt	-	-	59,141	18,830	-	-	75,971	-	75,971	90,148
Miscellaneous	2,010	126	8,485	42,373	47,352	-	98,348	2,428	100,772	140,537
In-kind contributions	-	181,852	-	-	-	-	181,852	-	181,852	182,986
Total revenues and other support	<u>5,040,892</u>	<u>3,021,088</u>	<u>2,280,182</u>	<u>1,821,384</u>	<u>981,459</u>	<u>1,197,755</u>	<u>14,322,740</u>	<u>414,252</u>	<u>14,736,992</u>	<u>13,392,927</u>
<b>EXPENSES</b>										
Payroll	\$ 398,452	\$ 1,208,631	\$ 435,538	\$ 771,028	\$ 405,189	\$ 439,358	\$ 3,658,198	\$ 774,468	\$ 4,432,662	\$ 4,142,943
Payroll taxes	31,599	99,882	34,153	58,803	30,418	38,918	289,771	80,913	350,684	331,590
Employee benefits	122,762	453,204	148,394	278,393	87,744	187,020	1,275,517	54,590	1,330,107	1,351,924
Retirement	24,980	69,878	21,031	64,244	19,280	17,448	218,821	73,148	289,969	274,815
Advertising	-	142	1,897	4,186	2,114	16,172	24,491	-	24,491	29,517
Bank charges	15	-	120	3,834	-	-	3,969	9,079	13,048	12,127
Computer cost	-	9,185	4,300	14,144	14,298	3,500	45,427	82,052	107,479	115,143
Contractual	518,340	52,483	242,935	20,382	2,718	109,718	946,538	14,921	961,457	587,284
Depreciation	-	28,300	108,291	167,840	-	16,131	320,562	147,387	487,929	415,720
Dues/registration	-	6,036	-	343	988	997	8,384	10,175	18,539	19,077
Duplicating	1,584	8,148	-	-	-	-	9,732	4,321	14,053	8,842
Insurance	5,909	13,381	23,653	52,287	14,810	6,248	118,088	38,380	154,468	147,175
Interest	-	8,858	7,759	8,997	-	2,554	25,986	118,501	142,487	141,285
Meeting & conference	3,981	58	9,293	7,177	800	19,305	40,394	35,924	76,318	49,122
Miscellaneous expense	909	971	2,303	18,896	4,442	18,560	45,881	13,182	59,063	188,334
Miscellaneous taxes	-	-	-	28,381	-	-	28,381	986	27,387	32,858
Equipment purchases	4,670	24,320	80	12,348	-	-	41,418	2,305	43,723	9,991
Office expense	34,413	12,813	8,440	14,508	12,042	4,078	88,090	20,402	108,492	73,351
Postage	132	274	182	31	348	50	1,017	22,918	23,935	24,329
Professional fees	4,890	-	1,875	15,879	-	-	22,644	83,768	108,410	134,341
Staff development and training	1,430	23,724	2,824	8,287	5,875	28,044	69,784	2,943	72,727	51,472
Subscriptions	-	-	28	87	-	-	115	1,328	1,444	2,387
Telephone	2,088	15,297	19,881	14,589	2,435	3,239	57,307	58,576	113,883	114,072
Travel	5,335	20,013	20,312	5,195	29,509	2,000	82,364	3,509	85,873	77,044
Vehicle	2,140	2,510	712	31,826	45,200	9,201	91,589	10,981	102,570	85,571
Rent	-	25,201	-	-	-	-	25,201	-	25,201	25,250
Space costs	148	140,213	258,849	438,344	-	1,009	838,563	129,908	965,529	934,572
Direct client assistance	3,683,486	145,220	823,938	14,447	50,531	23,843	4,741,445	-	4,741,445	4,097,767
In-kind expenses	-	181,852	-	-	-	-	181,852	-	181,852	182,986
TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION	<u>4,847,201</u>	<u>2,530,152</u>	<u>2,172,388</u>	<u>2,048,214</u>	<u>728,119</u>	<u>945,391</u>	<u>13,271,465</u>	<u>1,749,700</u>	<u>15,021,165</u>	<u>13,621,857</u>
Allocation of management and general expenses	<u>839,051</u>	<u>333,574</u>	<u>286,408</u>	<u>270,035</u>	<u>95,995</u>	<u>124,839</u>	<u>1,749,700</u>	<u>(1,749,700)</u>	<u>-</u>	<u>-</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 5,486,252</u>	<u>\$ 2,863,726</u>	<u>\$ 2,458,794</u>	<u>\$ 2,318,249</u>	<u>\$ 824,114</u>	<u>\$ 1,070,230</u>	<u>\$ 15,021,165</u>	<u>\$ -</u>	<u>\$ 15,021,165</u>	<u>\$ 13,621,857</u>

See Independent Auditors' Report

**SUPPLEMENTAL INFORMATION**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

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**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MAY 31, 2011**

<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS-THROUGH GRANTOR'S NAME</b>	<b>GRANTOR'S NUMBER</b>	<b>FEDERAL EXPENDITURE</b>
<b><u>U.S. Department of Agriculture</u></b>				
Rural Housing Preservation Grant	10.433	Direct Funding	3403-02801-808	\$ 14,198
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	State of NH Dept. of Health & Human Services	010-090-52800000-102-500734	304,381
Child and Adult Care Food Program	10.558	State of NH, Dept of Education	Unknown	121,328
Food Distribution Cluster				
Commodity Supplemental Food Program	10.585	State of NH Dept. of Health & Human Services	010-090-52800000-102-500734	\$ 100,788
Emergency Food Assistance Program (Food Commodities)	10.589	Community Action Program Belknap-Merrimack Counties	Unknown	103
				100,891
WIC Grants to States (Infrastructure)	10.578	State of NH Dept. of Health & Human Services	010-090-52800000-102-500734	42,151
WIC Grants to States (Breastfeeding Peer Counseling Program)	10.578	State of NH Dept. of Health & Human Services	010-090-52800000-102-500734	13,787
				55,938
<b>Total U.S. Department of Agriculture</b>				<b>\$ 896,729</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Bureau of Homeless & Housing	05-85-86-858310-717800000-102-50731	\$ 238,743
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Office of Human Services	010-042-7927-102-0731	117,877
Supportive Housing Program	14.235	State of NH, DHHS, Bureau of Homeless & Housing	05-85-86-858310-717800000-102-50731	281,048
Shelter Plus Care	14.238	State of NH, DHHS, Bureau of Homeless & Housing	05-85-86-858310-717800000-102-50731	272,181
Continuum of Care Program	14.287	State of NH, DHHS, Bureau of Homeless & Housing	05-85-86-858310-717800000-102-50731	178,539
<b>Total U.S. Department of Housing and Urban Development</b>				<b>\$ 1,085,188</b>
<b><u>U.S. Department of Labor</u></b>				
WIA Cluster				
WIA Adult Program	17.258	Southern NH Services	Unknown	\$ 64,427
WIA Dislocated Worker Formula Grants	17.278	Southern NH Services	Unknown	35,084
				\$ 99,511
<b>Total U.S. Department of Labor/WIA Cluster</b>				<b>\$ 99,511</b>
<b><u>U.S. Department of Transportation Federal Transit Administration (FTA)</u></b>				
Formula Grants for Rural Areas	20.509	State of NH, Department of Transportation	04-86-86-864010-2918	\$ 221,488
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	State of NH, Department of Transportation	04-86-86-864010-2918	24,971
<b>Total U.S. Department of Transportation Federal Transit Administration (FTA)</b>				<b>\$ 246,459</b>
<b><u>U.S. Department of Veterans Affairs</u></b>				
VA Supportive Services for Veteran Families Program	84.033	Harbor Homes, Inc.	Unknown	\$ 280,942
<b>Total U.S. Department of Veterans Affairs</b>				<b>\$ 280,942</b>
<b><u>U.S. Department of Energy</u></b>				
Weatherization Assistance for Low-Income Persons	81.042	State of NH, Office of Energy & Planning	01-02-024010-7705-074-500587	\$ 184,008
<b>Total U.S. Department of Energy</b>				<b>\$ 184,008</b>
<b><u>U.S. Department of Health &amp; Human Services</u></b>				
<b><u>Aging Cluster</u></b>				
Special Programs for the Aging, Title II, Part B				
Grants for Supportive Services and Senior Centers	93.044	State of NH, Office of Energy & Planning	01-02-024010-7705-074-500587	\$ 8,400
Special Programs for the Aging, Title II, Part B				
Grants for Supportive Services and Senior Centers	93.044	State of NH, DHHS, Bureau of Elderly & Adult Services	05-85-48-481010-7872	42,144
Grants to States to Support Oral Health Workforce Activities	93.236	State of NH, DHHS, Division of Family Assistance	Unknown	47,544
Drug-Free Communities Support Program Grants	93.276	Direct Funding	5H78SP018577-08	8,618
Affordable Care Act (ACA) - Consumer Assistance Program Grants	93.518	Direct Funding	HCBC/CFI	111,278
TANF Cluster				5,283
Temporary Assistance for Needy Families	93.558	Southern NH Services	Unknown	327,983
Low Income Home Energy Assistance (Fuel Assistance)	93.568	State of NH, Office of Energy & Planning	01-02-02-024010-77050000-500587	4,008,188
Low Income Home Energy Assistance (HRRP)	93.568	State of NH, Office of Energy & Planning	01-02-02-024010-77050000-500587	154,602
Low Income Home Energy Assistance (BWP)	93.568	State of NH, Office of Energy & Planning	01-02-02-024010-77050000-500587	207,578
Community Services Block Grant	93.569	State of NH, DHHS, Div. of Family Assistance	500731	4,370,347
Head Start	93.600	Direct Funding	01CH9659	354,429
Block Grants for Prevention and Treatment of Substance Abuse	93.958	State of NH, DHHS, Bureau Drug and Alcohol Services	05-85-49-491510-28890000	2,321,897
				35,613
<b>Total U.S. Department of Health &amp; Human Services</b>				<b>\$ 7,542,807</b>
<b><u>U.S. Department of Homeland Security</u></b>				
Emergency Food and Shelter National Board Program	97.024	State of NH, DHHS, Office of Human Services	Unknown	\$ 3,178
<b>Total U.S. Department of Homeland Security</b>				<b>\$ 3,178</b>
<b>TOTAL</b>				<b>\$ 10,078,875</b>

See Notes to Schedule of Expenditures of Federal Awards

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MAY 31, 2018**

**NOTE 1      BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Southwestern Community Services, Inc. under programs of the federal government for the year ended May 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southwestern Community Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3      INDIRECT COST RATE**

Southwestern Community Services, Inc. has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4      FOOD DONATION**

Nonmonetary assistance is reported in the Schedule at the fair value of the commodities received and disbursed.

**NOTE 5      SUBRECIPIENTS**

Southwestern Community Services, Inc. had no subrecipients for the year ended May 31, 2018.

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**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**

To the Board of Directors of  
Southwestern Community Services, Inc.  
Keene, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statement of financial position as of May 31, 2018, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related consolidated notes to the financial statements, and have issued our report thereon dated September 17, 2018.

**Internal Control Over Financial Reporting**

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during

our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Southwestern Community Services, Inc.'s consolidated 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 consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

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

*Leone McDonnell & Roberts*  
*Professional Association*

September 17, 2018  
Wolfeboro, New Hampshire

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Southwestern Community Services, Inc.  
Keene, New Hampshire

**Report on Compliance for Each Major Federal Program**

We have audited Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southwestern Community Services, Inc.'s major federal programs for the year ended May 31, 2018. Southwestern Community Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Southwestern Community Services, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Southwestern Community Services, 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Southwestern Community Services, Inc.'s compliance.

**Opinion on Each Major Federal Program**

In our opinion, Southwestern Community Services, 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 May 31, 2018.

### Report on Internal Control Over Compliance

Management of Southwestern Community Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southwestern Community Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Southwestern Community Services, 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*Leon McDonnell & Roberts*  
*Professional Association*

September 17, 2018  
Wolfeboro, New Hampshire



**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED MAY 31, 2018**

**SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unmodified opinion on whether the consolidated financial statements of Southwestern Community Services, Inc. were prepared in accordance with GAAP.
2. No significant deficiencies disclosed during the audit of the consolidated financial statements are reported in the *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*. No material weaknesses are reported.
3. No instances of noncompliance material to the consolidated financial statements of Southwestern Community Services, 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 major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for Southwestern Community Services, Inc. expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were: U.S. Department of Health and Human Services; Low-Income Home Energy Assistance, 93.568, and Head Start, 93.600, and U.S. Department of Agriculture; Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), 10.557.
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Southwestern Community Services, Inc. was determined to not be a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED MAY 31, 2017**

There were no findings or questioned costs that were required to be reported in the Schedule of Findings and Questioned Costs for the year ended May 31, 2017.

## **Mrs. Liza Regan**

### **EXPERIENCE**

#### **Mount Royal Academy, Sunapee, NH— *Drama Director/Substitute Teacher***

September, 2016 - PRESENT

Responsibilities include: directing student productions for the community, advertising, fundraising and budgeting, classroom education, organizing and directing a summer arts day camp.

#### **Woodcrest Village Assisted Living, New London— *Resident Aide***

June, 2017 - PRESENT

Responsibilities include: assisting with personal care of residents, evaluating emergency situations, supervision of building during night shift, clear communication between residents, their families and staff, keeping accurate medical reporting, basic housekeeping and laundry

#### **Woodlawn Care Center, Newport— *Residential Services Aide***

June, 2016 - June, 2017

Responsibilities include: Laundry, housekeeping, music activities

January 2010 - September 2012

Licensed Nurse's Assistant and activities assistant for Woodlawn

#### **Self Employment:**

January 2004 - PRESENT

Personal assistant and nanny; home care for the elderly

### **EDUCATION**

#### **Magdalen College, Warner, NH - BA in Liberal Arts**

September, 1998 - May, 2002

Education included Classical Study, Rhetoric, Logic, Music and Arts, student life leadership, paid work study, choir assistant

#### **Our Lady Of Victory, Ontario, CA — High School**

September 1994 - June 1998

### **SKILLS**

Organizational

Self-Motivated

Problem Solver

Communication

Public Relations

Fundraising

Compassionate

Professional

Adaptability

Computer Knowledge

Leadership

Creativity

### **PROJECTS**

#### **Maddie's Hands**

Includes collecting and distributing personal care and hygiene products, food and home goods to outreach programs around NH; ... hosting an annual day of respite for the NH Special Needs community

**Monadnet**  
**Customer Service Supervisor**

**8/99-8/01**  
**Keene, NH**

- Responsibilities include maintaining all major accounts and new account data; managing projects and delegating responsibilities, A/R and A/P reconciliation, Collections of delinquent accounts.
  - Financial Analysis and Trend Monitoring, Billing Systems Analyst
  - Direct mediation and resolution of customer service issues.
- 

**AWARDS RECEIVED**

- Delta Mu Delta: National Business Honor Society
- Psi Chi: National Psychology Honor Society

**CONTINUING EDUCATION AND CERTIFICATIONS**

**04/18/2007 Certified Occupancy Specialist – National Center for Housing Management**

**09/23/2008 Successful completion of "Landlord and Tenant Law" seminar – Lorman Educational Services**

**12/15/2009 HUD Certified Housing Quality Standards Inspector**

**06/13/2013 Certification in Fair Housing Law – Granite State Managers Association**

**07/10/2013 Completed 8.5 hours of Nonviolent Crisis Intervention training**

**03/20/2014 Blood Borne Pathogen Training**

**09/30/2014 7 hours of comprehensive low income housing tax credit training – Johnson Consulting Services, Inc**

Contractor Name: Southwestern Community Services, Inc.

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
John Manning	CEO	\$132,080	0	0
Meg Freeman	CFO	\$90,854	0	0
Craig Henderson	Director of Housing Stabilization	\$50,003	0	0
Liza Regan	Case Manager	\$29,640	50%	\$14,820