



Lori A. Shibillette
Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF THE COMMISSIONER

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9200 1-800-852-3345 Ext. 9200
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May 12, 2020

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

INFORMATIONAL ITEM

Pursuant to RSA 4:45, RSA 4:47, and Section 4 of Executive Order 2020-04 as extended by Executive Orders 2020-05 and 2020-08, Governor Sununu has authorized the Department of Health and Human Services, Office of the Commissioner, to enter into a **Retroactive, Sole Source** contract with Cross Roads House, Inc. (VC#166570-B001), Portsmouth, NH in the amount of \$150,000 for decompression of the population in homeless shelters to align operations with Centers for Disease Control recommendations, with the option to renew for up to one (1) additional year, effective retroactive to April 11, 2020 upon Governor approval through July 10, 2020. 100% General Funds.

Funds are available in the following account for State Fiscal Years 2020 and 2021, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

05-95-95-950010-56760000 Health and Social Services, Department of Health and Human Services, HHS: Office of the Commissioner, Office of Business Operations

State Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2020	103-502664	Contracts for Oper Svc	95010998	\$150,000
2021	103-502664	Contracts for Oper Svc	95010998	\$0
			Total	\$150,000

EXPLANATION

This item is **Retroactive** and **Sole Source** because the Department, in the interest of the public's health and safety, identified a vendor with capacity to quickly respond to the COVID-19 pandemic.

The purpose of this contract is to ensure shelters for individuals who are experiencing homelessness have the ability to decrease the numbers served in the shelter and provide alternative locations in order to meet current Centers for Disease Control recommendations relative to COVID-19 and social distancing.

The Department cannot determine how many individuals experiencing homelessness will be served from April 11, 2020 through July 10, 2020.

His Excellency, Governor Christopher T. Sununu
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The Contractor will use funding to provide alternative shelter placement to individuals in order that social distancing can be accomplished regardless of where the individuals are receiving homeless shelter services.

As referenced in Exhibit A, Revisions to Standard Contract Provisions of the attached contract, the parties have the option to extend the agreement for up one (1) additional year, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval.

Area served: Seacoast

Respectfully submitted,



Lori A. Shibinette
Commissioner

Subject: Decompression Services for Homeless - COVID19 (SS-2020-OCOM-10-DECOM-02)

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 New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Cross Roads House, Inc.		1.4 Contractor Address 600 Lafayette Road Portsmouth, NH 03801	
1.5 Contractor Phone Number (603) 436-2218 (martha@crossroadshouse.org)	1.6 Account Number 05-95-95-950010- 56760000-103-502664- 95010998	1.7 Completion Date July 10, 2020	1.8 Price Limitation \$150,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature <i>Martha Stone</i> Date: 7/30/20		1.12 Name and Title of Contractor Signatory Martha Stone Executive Director	
1.13 State Agency Signature <i>Christine L. Santaniello</i> Date: 7/11/20		1.14 Name and Title of State Agency Signatory Christine L. Santaniello, Director DEHS	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: <i>/s/ Christen Lavers</i> On: 5/12/20			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

2. 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 B 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 1.17, 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 1.13 ("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 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 for Services provided in EXHIBIT B, in whole or in part. 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 reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source 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 C 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 applicable 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 employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property 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 The Contractor 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 cured, 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 give the Contractor a written notice specifying the Event of Default and 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 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. 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.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, 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 B. In addition, at the State's discretion, 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.

10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

10.1 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.

10.2 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.

10.3 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.

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.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. **INDEMNIFICATION.** Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. 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 continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial 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 or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 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 ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

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. The 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. **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.

17. **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.

18. **CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and 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. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. **CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

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 or modifying provisions set forth in the attached EXHIBIT A 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 with respect to the subject matter hereof.



REVISIONS TO STANDARD CONTRACT PROVISIONS

1. Revisions to Form P-37, General Provisions

- 1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:
 - 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 as indicated in block 1.17, this Agreement, and all obligations of the parties hereunder, shall become effective on April 11, 2020 ("Effective Date").
- 1.2. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:
 - 3.3. The parties may extend the Agreement for up to one (1) additional year from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.
- 1.3. Paragraph 9, Termination, is amended by adding Subparagraph 9.3, as follows:
 - 9.3. In the event that services in the contract are no longer needed, due to the resolution of the COVID 19 Pandemic, the contract shall be terminated immediately upon written notification of the State to the Contractor.
- 1.4. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.3 as follows:
 - 12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed and how corrective action shall be managed if the subcontractor's performance is inadequate. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

MS

4/30/20

EXHIBIT B



Scope of Services

1. Statement of Work

- 1.1. The Contractor shall ensure the safety of the population served, during the COVID19 Pandemic, who are served through contracts with the State of New Hampshire relative to:
 - 1.1.1. Shelter Essential Services;
 - 1.1.2. Emergency Shelter services;
 - 1.1.3. Homeless Intervention Services; and/or
 - 1.1.4. Coordinated Entry Services.
- 1.2. The Contractor shall decompress the population in homeless shelters in order to align operations with Centers for Disease Control (CDC) recommendations relative to social distancing, in order to provide services in a safe manner that is in cooperation and accordance with any existing agreement with the State of New Hampshire.
- 1.3. The Contractor shall ensure any guests participating in decompression services are:
 - 1.3.1. Identified as guests of the Cross Roads House shelter.
 - 1.3.2. Provided with all services, rights and supports available through services provided at the Cross Roads House shelter.
- 1.4. The Contractor shall ensure any locations utilized as alternate locations for decompression purposes comply with all local codes.

MP
4/30/20

New Hampshire Department of Health and Human Services
Decompression Services for Homeless - COVID19

EXHIBIT C



Payment Terms

1. The State shall pay the Contractor an amount not to exceed Form P-37, Block 1.8 Price Limitation for the services provided by the Contractor pursuant to Exhibit B, Scope of Services
2. Payment shall be on a cost reimbursement basis of \$50,000.
3. The Contractor shall submit monthly invoices that specify the number of individuals served during the previous month.
4. In lieu of hard copies, all Department-provided invoices may be assigned an electronic signature and emailed to Beth.Kelly@dhhs.nh.gov .
5. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available, subject to Paragraph 4 of the General Provisions Form Number P-37 of this Agreement.
6. The final invoice shall be due to the State no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
7. The Contractor must provide the services in Exhibit B, Scope of Services, in compliance with funding requirements.
8. The Contractor agrees that funding under this Agreement may be withheld, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit B, Scope of Services.
9. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.
10. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.
11. Notwithstanding Paragraph 18 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
12. Audits

Cross Roads House, Inc.

Exhibit C

Contractor Initials MS

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Date 4/30/20

Rev. 01/08/19

New Hampshire Department of Health and Human Services
Decompression Services for Homeless - COVID19
EXHIBIT C



12.1. The Contractor is required to submit an annual audit to the Department if any of the following conditions exist:

12.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.

12.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.

12.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.

12.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.

12.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.

12.4. 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.

MR
3/30/20



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Vendor 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.

Vendor Name:

Date 4/30/20

Martha Stone Cross Roads House, Inc.
Name: Martha Stone
Title: Executive Director



CERTIFICATION REGARDING LOBBYING

The Vendor 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.

Vendor Name: Cross Roads House, Inc.

4/30/20
Date

Martha Stone
Name: Martha Stone
Title: Executive Director



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

The Vendor 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

New Hampshire Department of Health and Human Services
Exhibit F



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 (1)(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.

Vendor Name: *Cross Roads House, Inc.*

4/30/20
Date

Martha Stone
Name: *Martha Stone*
Title: *Executive Director*

MS

Date *4/30/20*



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

The Vendor 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:

Vendor 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

Vendor Initials

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8/27/14
Rev. 10/21/14

Page 1 of 2

Date

4/30/20

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 Vendor 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 Vendor agrees to comply with the provisions indicated above.

Vendor Name: Cross Roads House, Inc.

4/30/20
Date

Martha Stone
Name: Martha Stone
Title: Executive Director

Exhibit G

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

Vendor Initials AML



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 Vendor 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 Vendor 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.

Vendor Name: Cross Roads House, Inc.

4/30/20
Date

Martha Stone
Name: Martha Stone
Title: Executive Director



Exhibit I

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 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.

3/2014.

Contractor Initials

MS
Date 4/30/20



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

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4/30/20



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.

3/2014

Contractor Initials

MS
Date 4/30/20



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

Christine L. Santaniello
Name of Authorized Representative

Director DEHS
Title of Authorized Representative

Date


Cross Roads Horwath, Inc
Name of the Contractor


Signature of Authorized Representative

Martha Stone
Name of Authorized Representative

Executive Director
Title of Authorized Representative

Date


4/30/20



**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: Cross Roads House, Inc.

4/30/20
Date

Martha Stone
Name: Martha Stone
Title: Executive Director

New Hampshire Department of Health and Human Services
Exhibit J



FORM A

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

1. The DUNS number for your entity is: 171774979
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

☒ NO ☐ YES

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

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

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

☐ NO ☐ YES

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

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

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

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

MR
4/30/00

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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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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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

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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.).

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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

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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.

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- 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

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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

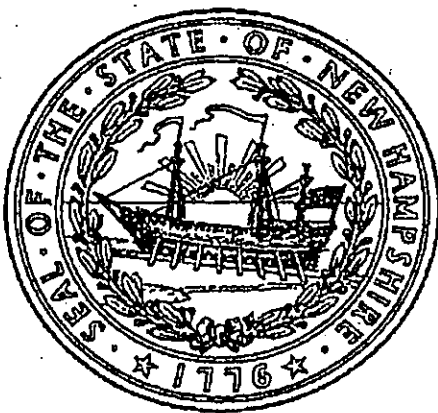
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CROSS ROADS HOUSE, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on March 24, 1982. 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: 62166

Certificate Number: 0004907288



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 4th day of May A.D. 2020.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Ben St. Jean, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Cross Roads House, Inc.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on May 28, 2019, at which a quorum of the Directors/shareholders were present and voting.
(Date)

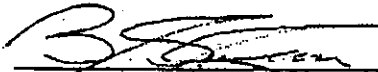
VOTED: That Martha Stone, Executive Director (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Cross Roads House, Inc. to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority remains valid for **thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 4/30/20



Signature of Elected Officer

Name: Ben St. Jean

Title: CRH Board President



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

05/05/2020

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 RSC Insurance Brokerage, Inc. One New Hampshire Avenue Suite 125 Portsmouth NH 03801	CONTACT NAME: Melisa Meeks PHONE (A/C, No, Ext): (603) 778-8985 FAX (A/C, No): E-MAIL ADDRESS: mmeeks@risk-strategies.com
INSURED Cross Roads House, Inc. 600 Lafayette Rd Portsmouth NH 03801	INSURER(S) AFFORDING COVERAGE INSURER A: Philadelphia Indemnity Insurance Company INSURER B: Market/FirstComp INSURER C: INSURER D: INSURER E: INSURER F: NAIC #: 27626

COVERAGES

CERTIFICATE NUMBER: 20-21 Master

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD	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 GENTL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			PHPK2083243	01/10/2020	01/10/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COM/PROP AGG \$ 3,000,000 Damage to Premises \$ 1,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2083243	01/10/2020	01/10/2021	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 DED <input checked="" type="checkbox"/> RETENTION \$ 10,000 OCCUR CLAIMS-MADE			PHUB707533	01/10/2020	01/10/2021	EACH OCCURRENCE \$ 6,000,000 AGGREGATE \$ 6,000,000
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 Y	N/A	WC010284011	01/10/2020	01/10/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

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

CERTIFICATE HOLDER

CANCELLATION

State of New Hampshire Department of Health & Human Services 129 Pleasant Street Concord NH 03301-3857	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
---	---

SANDERS & KARCHER

Certified Public Accountants

September 13, 2016

Board of Directors
Cross Roads House, Inc.
600 Lafayette Road
Portsmouth, NH 03801

We have audited the financial statements of Cross Roads House, Inc. for the year ended June 30, 2016, and have issued our report thereon dated September 13, 2016 and September 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 28, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings - Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Cross Roads House are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2015. We noted no transactions entered into by Cross Roads House during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit - We encountered no significant difficulties in dealing with management in performing and completing our audit.

Management Representations - We have requested certain representations from management that are included in the management representation letter dated September 13, 2016 and September 30, 2016.

This information is intended solely for the use of management of Cross Roads House, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Sanders & Karcher

Sanders & Karcher
Certified Public Accountants

CROSS ROADS HOUSE, INC.

FINANCIAL STATEMENTS

Year Ended June 30, 2016
with Summarized Financial Information
for the Year Ended June 30, 2015

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Sanders & Karcher
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cross Roads House, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Cross Roads House, Inc. (a nonprofit organization) as of June 30, 2016 which comprise the statement of financial position and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Board of Directors
Cross Roads House, Inc.
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cross Roads House, Inc. as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Cross Roads House, Inc.'s financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 2, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sanders & Karcher

Sanders & Karcher
Portsmouth, NH

September 13, 2016, except for Note A, Subsequent Events, as to which the date is
September 30, 2016

CROSS ROADS HOUSE, INC.
STATEMENTS OF FINANCIAL POSITION
June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 400,288	\$ 233,615
Grants receivable	11,053	107,994
Unconditional promises to give	104,750	49,525
Prepaid expenses	46,249	22,250
Total current assets	<u>562,340</u>	<u>413,384</u>
PROPERTY & EQUIPMENT, net of accumulated depreciation of \$1,227,791 & \$1,072,389, respectively	4,695,296	4,831,739
OTHER ASSETS		
Closing costs, net of accumulated amortization of \$1,071 & \$846, respectively	282	507
Unconditional promises to give, long-term	171,000	193,791
Cash and marketable securities, long-term reserve	602,113	554,014
Beneficial interest in assets held by others	120,344	130,607
Cash and cash equivalents, operating reserve	125,069	116,798
Total other assets	<u>1,018,808</u>	<u>995,717</u>
TOTAL ASSETS	\$ <u>6,276,444</u>	\$ <u>6,240,840</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 40,781	\$ 15,499
Deferred income	55,185	7,500
Long-term debt, current portion	13,842	13,403
Accrued payroll items	43,678	31,351
Total current liabilities	<u>153,486</u>	<u>67,753</u>
LONG-TERM DEBT, net of current portion	<u>212,158</u>	<u>225,843</u>
Total liabilities	365,644	293,601
NET ASSETS		
Unrestricted		
Designated	727,182	670,812
Undesignated	4,867,274	4,927,030
Temporarily restricted	196,000	218,790
Permanently restricted	120,344	130,607
Total net assets	<u>5,910,800</u>	<u>5,947,239</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>6,276,444</u>	\$ <u>6,240,840</u>

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

CROSS ROADS HOUSE, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30,

	2016	2015
PUBLIC SUPPORT AND REVENUES:		
PUBLIC SUPPORT		
Government grants	\$ 324,695	\$ 272,776
Donations	533,859	518,425
Fund raising, net of direct expenses of \$60,985 and \$45,159, respectively	<u>353,494</u>	<u>257,010</u>
Total public support	1,212,048	1,048,211
REVENUES		
Use of facilities	3,500	6,200
Investment return	<u>19,665</u>	<u>12,553</u>
Total revenues	<u>23,165</u>	<u>18,753</u>
Total public support and revenues	1,235,213	1,066,964
EXPENSES		
Program services	856,359	759,542
General and administrative	189,230	169,665
Fundraising	<u>60,173</u>	<u>80,889</u>
Total expenses	<u>1,105,762</u>	<u>1,010,096</u>
CHANGE IN OPERATING NET ASSETS BEFORE DEPRECIATION	129,451	56,868
Less depreciation and amortization	155,627	150,298
DECREASE IN OPERATING NET ASSETS	(26,176)	(93,430)
BUILDING SUPPORT, net of change in discount	<u>22,790</u>	<u>49,500</u>
DECREASE IN UNRESTRICTED NET ASSETS	(3,386)	(43,930)
TEMPORARILY RESTRICTED NET ASSETS		
Public support	335,186	188,454
Restrictions satisfied by use	(357,976)	(237,954)
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	(22,790)	(49,500)
PERMANENTLY RESTRICTED ASSETS		
Investment income (loss)	(5,097)	1,215
Distributions	(5,166)	(5,055)
DECREASE IN PERMANENTLY RESTRICTED NET ASSETS	(10,263)	(3,840)
DECREASE IN NET ASSETS	(36,439)	(97,270)
NET ASSETS, Beginning of year	<u>5,947,239</u>	<u>6,044,509</u>
NET ASSETS, End of year	\$ <u>5,910,800</u>	\$ <u>5,947,239</u>

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

CROSS ROADS HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30,

	2016				2015
	Program Services	General and Admin	Fund- Raising	Total	Total
Management salaries	\$ 103,201	\$ 100,383	\$ 24,459	\$ 228,043	\$ 155,892
Salaries and wages	412,884	15,913	11,673	440,470	461,099
Employee benefits	55,651	25,544	6,494	87,689	75,245
Payroll taxes	41,860	9,769	1,670	53,299	47,045
Professional fees	-	22,224	-	22,224	15,384
Investment fees	-	-	-	-	839
Advertising and promotion	-	-	4,754	4,754	3,605
Office and administration	25,098	1,282	1,281	27,661	29,496
Heat	13,655	759	759	15,173	23,301
Electricity	27,403	1,522	1,522	30,447	28,532
Water and sewer	20,128	1,118	1,118	22,364	26,567
Repairs and maintenance	76,599	4,255	4,255	85,109	61,368
Interest	8,004	445	445	8,894	9,293
Insurance	25,228	1,402	1,402	28,032	28,041
Food	21,873	-	-	21,873	24,496
Direct services	16,811	-	-	16,811	8,760
Telephone	5,264	293	293	5,850	4,877
Volunteer development	-	1,621	-	1,621	3,618
Staff and program development	2,700	2,700	48	5,448	2,638
TOTALS BEFORE DEPREC & AMORT	856,359	189,230	60,173	1,105,762	1,010,096
Depreciation & amortization	139,862	7,995	7,770	155,627	150,298
TOTALS	\$ 996,221	\$ 197,225	\$ 67,943	\$ 1,261,389	\$ 1,160,394

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

CROSS ROADS HOUSE, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30,

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from support	\$ 1,116,417	\$ 994,169
Cash received from interest and dividends	9,402	14,986
Cash received from use of facilities	3,500	6,200
Cash paid to employees and suppliers	(912,526)	(991,288)
Cash paid for interest	(8,894)	(9,293)
Net cash provided by operating activities	<u>207,899</u>	<u>14,774</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net unrealized investment loss	(9,016)	(6,273)
Cash paid for property and equipment	(18,959)	(25,366)
Net cash used by investing activities	<u>(27,975)</u>	<u>(31,639)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for debt reduction	(13,251)	(12,851)
Net increase (decrease) in cash	166,673	(29,716)
Cash at beginning of year	<u>233,615</u>	<u>263,331</u>
CASH AT END OF YEAR	<u>\$ 400,288</u>	<u>\$ 233,615</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Decrease in net assets	\$ (36,439)	\$ (97,270)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net unrealized investment loss	9,016	6,273
Depreciation expense	155,402	150,072
Amortization expense	225	226
(Increase) decrease in:		
Grants receivable	96,941	(79,028)
Unconditional promises to give	(32,434)	56,874
Prepaid expenses	(23,999)	21,646
Beneficial interest in assets held by others	10,263	3,840
Cash and cash equivalents, operating reserve	(8,271)	63,958
Cash and marketable securities, long-term reserve	(48,099)	(98,786)
Increase (decrease) in:		
Accounts payable	25,282	(3,619)
Deferred income	47,685	(900)
Accrued payroll items	12,327	(8,512)
Total adjustments	<u>244,338</u>	<u>112,044</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 207,899</u>	<u>\$ 14,774</u>

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

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Cross Roads House, Inc. (Cross Roads House), was organized March 24, 1982, but was essentially activated January 1, 1984. The purpose of the organization is to provide safe and supportive emergency and transitional shelter to individuals and families experiencing homelessness in southeastern New Hampshire.

Basis of Accounting

Income and expenses are reported on the accrual basis, which means that income is recognized as it is earned and expenses are recognized as they are incurred whether or not cash is received or paid out at that time.

Use of Estimates

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

Income Taxes

Cross Roads House received a letter of determination dated July 28, 1986 from the Internal Revenue Service advising it that it qualified as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, it is not subject to income tax. Cross Roads House is classified as other than a private foundation.

Financial Statement Presentation

Cross Roads House presents its financial statements in accordance with Accounting Standards Codification No. 958-210, "Financial Statements of Not-for-Profit Organizations". Under ASC No. 958-210, Cross Roads House 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. In addition, Cross Roads House is required to present a statement of cash flows.

Cash and Cash Equivalents

For purposes of these financial statements all non-custodial highly liquid investments with an initial maturity of less than three months or investments with a per share value constant at one dollar are considered to be cash equivalents. Cash equivalents were \$246,196 and \$249,720 as of June 30, 2016 and 2015.

Accounts Receivable

Accounts receivable consist primarily of amounts due from the State in support of homeless operations. An allowance for doubtful accounts is established based on historical experience and management's evaluation of outstanding accounts receivable at the end of each year. As of June 30, 2016 and 2015 management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

Subsequent events have been evaluated through September 13, 2016 the date the financial statements were available to be issued. Due to receipt of a restated pledge confirmation of \$146,000 received on September 30, 2016 from the donor, management has elected to adjust the financial statements to include this pledged amount.

Promises to Give/Contributions

Contributions are recognized when the donor makes a promise to give to Cross Roads House that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

An allowance for uncollectible unconditional promises is established based on historical experience and management's evaluation of outstanding unconditional pledges at the end of each year. As of June 30, 2016, management considers all pledges to be fully collectible.

Unconditional promises to give consisted of the following as of June 30,

	2016	2015
Capital campaign	\$ 196,000	\$ 221,000
Wentworth Gala event	<u>79,750</u>	<u>24,525</u>
TOTALS	\$ <u>275,750</u>	\$ <u>245,525</u>

As of June 30, 2016, amounts were due in:

Less than one year	\$ 129,750
One to two years	<u>146,000</u>
TOTAL	\$ <u>275,750</u>

Investment Valuation and Income Recognition

The Organization's investments as of June 30, 2016 are stated at fair value. Shares of the separate investment accounts are valued at quoted market prices, which represent the net value of shares held by the Organization at year-end. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. As of June 30, 2016, investments have a market value of \$727,182, cost basis of \$720,312 and unrealized gains of \$6,870.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are recorded at cost for those items which have been purchased, and at estimated fair market value for those items which have been donated. The cost of buildings and improvements is recovered using the straight-line method over estimated useful lives of 10 to 33 years. The cost of furniture, fixtures and equipment is recovered using the straight-line method over estimated useful lives of 2 to 7 years. Property and equipment as of June 30, 2016 consisted of the following:

Land and improvements	\$ 217,266
Buildings and improvements	5,607,573
Furniture and equipment	98,248
Total property and equipment	5,923,087
Less accumulated depreciation	1,227,791
Property and equipment, net	\$ 4,695,296

Contributions

Cross Roads House records its contributions as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Donated Services

Contributions of services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended June 30, 2016 and 2015, there were no amounts for donated services.

Donated Materials

Donated marketable securities and property and equipment are valued at fair market value. Marketable securities are immediately sold and are included in the statement of activities as donations. Donated securities were received and valued as follows during the years ended June 30,

	2016	2015
Marketable securities	\$ 41,918	\$ 28,213

Functional Allocation of Expenses

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

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

NOTE B - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Cross Roads House is a beneficiary of an agency endowment fund at The New Hampshire Charitable Foundation. Pursuant to the terms of the resolution establishing this fund, property contributed to The New Hampshire Charitable Foundation is held as a separate fund designated for the benefit of Cross Roads House. In accordance with its spending policy, the Foundation makes distributions from the fund to Cross Roads House. The distributions are 4.03% of the market value of the fund per year.

Activity in this endowment fund consisted of the following for the years ended June 30,

	2016	2015
Beginning, fair value, 7/1	\$ 130,607	\$ 134,447
Total return	(4,237)	2,054
Foundation fee	(860)	(839)
Distributions	(5,166)	(5,055)
Ending, fair value, 6/30	\$ <u>120,344</u>	\$ <u>130,607</u>

Distributions represent amounts distributed to Cross Roads House and are shown as unrestricted dividends.

NOTE C - INVESTMENTS AT FAIR VALUE

Cross Roads House records its marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets, in the statement of activities.

Following is a description of the valuation methodologies used for assets measured at fair value.

Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value of shares held by the plan at year end.

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

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

NOTE C - INVESTMENTS AT FAIR VALUE (continued)

The Organization reports under the Fair Value Measurements, which established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

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

Investments, all at level 1, at fair value as of June 30, 2016, consisted of the following:

Cash & equivalents	\$ 246,196
Domestic equities	269,949
Domestic fixed income	169,899
International fixed income	41,138
TOTALS	\$ <u>727,182</u>

NOTE D - LONG-TERM DEBT

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Note payable, People's United Bank, monthly payment is \$1,403, 3.92% interest; secured by property and equipment; note matures June 2033.	\$ 8,836	\$ 199,641	\$ 208,477
Note payable, NH Community Development Authority, monthly payment is \$443, 2.00% interest; secured by property; note matures November 2019.	<u>5,006</u>	<u>12,517</u>	<u>17,523</u>
Total long-term debt	\$ <u>13,842</u>	\$ <u>212,158</u>	\$ <u>226,000</u>

Future principal loan payments are as follows for the years ended,

June 30,	2017.	\$ 13,842
	2018.	14,294
	2019.	14,765
	2020.	12,189
	2021.	10,350
	Thereafter. . .	160,560

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

NOTE E - ACCRUED PAYROLL ITEMS

Accrued payroll items consisted of the following as of the years ended June 30,

	2016	2015
Payroll and payroll taxes	\$ 12,810	\$ 6,047
Earned time	30,868	25,304
Totals	\$ <u>43,678</u>	\$ <u>31,351</u>

NOTE F - UNRESTRICTED BOARD DESIGNATED NET ASSETS

The Board of Directors of Cross Roads House has approved the following designations of net assets as of June 30,

	2016	2015
Long-term reserve	\$ 602,113	\$ 554,014
Operating reserve	125,069	116,798
Totals	\$ <u>727,182</u>	\$ <u>670,812</u>

Board designated long-term reserve represents amounts held to enhance the capitalization of Cross Roads House. Unrestricted board designated net assets may not be liquidated or expended without the approval of the Board of Directors.

NOTE G - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets total \$196,000, all of which is available for the capital campaign.

NOTE H - CONCENTRATION OF CREDIT RISK

As of June 30, 2016 and 2015, Cross Roads House has a cash balance held by a bank that was in excess of the amount insured by the Federal Deposit Insurance Corporation. The uninsured amount was \$169,370 and \$8,027, respectively.

Cross Roads House has a cash balance held by an investment brokerage firm that is insured by the Securities Investor Protection Corporation. There were no uninsured amounts as of June 30, 2016 and 2015.

Cross Roads House derived approximately twenty-six per cent of its operating revenue from government agencies.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

NOTE I - COMMITMENTS AND CONTINGENCIES

Cross Roads House receives money under various state and federal grants. Under the terms of these grants, Cross Roads House is required to use the money within the grant period for purposes specified in the grant proposal. If expenditures of the grant were found not to have been made in compliance with the proposal, Cross Roads House may be required to repay the grantor's funds.

A discrimination claim, filed in February 2015 with the New Hampshire Commission for Human Rights by a former resident has been closed with a finding of no probable cause on November 6, 2015.

CROSS ROADS HOUSE, INC.

FINANCIAL STATEMENTS

Year Ended June 30, 2017
with Summarized Financial Information
for the Year Ended June 30, 2016

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Sanders & Karcher
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cross Roads House, Inc.
Portsmouth, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of Cross Roads House, Inc. (a nonprofit organization) as of June 30, 2017 which comprise the statement of financial position and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Board of Directors
Cross Roads House, Inc.
Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cross Roads House, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Cross Roads House, Inc.'s financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 2, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sanders & Karcher

Sanders & Karcher
Portsmouth, New Hampshire
September 12, 2017

CROSS ROADS HOUSE, INC.
STATEMENTS OF FINANCIAL POSITION
June 30,

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash	\$ 360,278	\$ 400,288
Accounts receivable	2,429	-
Grants receivable	67,350	11,053
Unconditional promises to give	242,675	104,750
Prepaid expenses	54,288	46,249
Total current assets	<u>727,020</u>	<u>562,340</u>
PROPERTY & EQUIPMENT, net of accumulated depreciation of \$1,382,026 & \$1,227,791 respectively	4,639,205	4,695,296
OTHER ASSETS		
Closing costs, net of accumulated amortization of \$1,297 & \$1,071, respectively	57	282
Unconditional promises to give, long-term	-	171,000
Cash and marketable securities, long-term reserve	672,926	602,113
Beneficial interest in assets held by others	130,525	120,344
Cash and cash equivalents, operating reserve	125,458	125,069
Total other assets	<u>928,966</u>	<u>1,018,808</u>
TOTAL ASSETS	\$ <u>6,295,191</u>	\$ <u>6,276,444</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 18,515	\$ 40,781
Deferred income	41,449	55,185
Long-term debt, current portion	14,295	13,842
Accrued payroll items	40,726	43,678
Total current liabilities	<u>114,985</u>	<u>153,486</u>
LONG-TERM DEBT, net of current portion	<u>197,995</u>	<u>212,158</u>
Total liabilities	312,980	365,644
NET ASSETS		
Unrestricted		
Designated	798,384	727,182
Undesignated	4,882,302	4,867,274
Temporarily restricted	171,000	196,000
Permanently restricted	130,525	120,344
Total net assets	<u>5,982,211</u>	<u>5,910,800</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>6,295,191</u>	\$ <u>6,276,444</u>

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

CROSS ROADS HOUSE, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30,

	2017	2016
PUBLIC SUPPORT AND REVENUES:		
PUBLIC SUPPORT		
Government grants	\$ 499,636	\$ 324,695
Donations	632,635	533,859
Fundraising, net of direct expenses of \$46,365 and \$60,985, respectively	356,930	353,494
Total public support	1,489,201	1,212,048
REVENUES		
Use of facilities	-	3,500
Investment return	50,182	19,665
Total revenues	50,182	23,165
Total public support and revenues	1,539,383	1,235,213
EXPENSES		
Program services	1,021,113	856,359
General and administrative	213,553	189,230
Fundraising	89,206	60,173
Total expenses	1,323,692	1,105,762
CHANGE IN OPERATING NET ASSETS BEFORE DEPRECIATION	215,691	129,451
Less depreciation and amortization	154,461	155,627
INCREASE (DECREASE) IN OPERATING NET ASSETS	61,230	(26,176)
BUILDING SUPPORT	25,000	22,790
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	86,230	(3,386)
TEMPORARILY RESTRICTED NET ASSETS		
Public support	479,155	335,186
Restrictions satisfied by use	(504,155)	(357,976)
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	(25,000)	(22,790)
PERMANENTLY RESTRICTED ASSETS		
Investment return	15,547	(5,097)
Distributions	(5,366)	(5,166)
INCREASE (DECREASE) IN PERMANENTLY RESTRICTED NET ASSETS	10,181	(10,263)
INCREASE (DECREASE) IN NET ASSETS	71,411	(36,439)
NET ASSETS, Beginning of year	5,910,800	5,947,239
NET ASSETS, End of year	\$ 5,982,211	\$ 5,910,800

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

CROSS ROADS HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30,

	2017				2016
	Program Services	General and Admin	Fund- Raising	Total	Total
Management salaries	\$ 64,013	\$125,168	\$ 47,855	\$ 237,036	\$ 228,043
Salaries and wages	476,577	18,438	10,115	507,130	440,470
Employee benefits	52,482	38,442	8,130	99,054	87,689
Payroll taxes	43,169	11,488	4,898	59,555	53,299
Professional fees	11,582	643	643	12,868	22,224
Bad debt	3,159	4,200	-	7,359	-
Advertising and promotion	-	-	5,630	5,630	4,754
Office and administration	47,474	2,637	2,637	52,748	27,661
Heat	12,799	711	711	14,221	15,173
Electricity	27,246	1,514	1,514	30,274	30,447
Water and sewer	21,210	1,178	1,178	23,566	22,364
Repairs and maintenance	64,583	3,588	3,587	71,758	85,109
Interest	7,590	422	423	8,435	8,894
Insurance	25,229	1,402	1,402	28,033	28,032
Food	30,759	-	-	30,759	21,873
Direct services	120,208	-	-	120,208	16,811
Telephone	5,450	303	303	6,056	5,850
Volunteer development	-	2,798	-	2,798	1,621
Staff and program development	5,583	621	-	6,204	5,448
TOTALS BEFORE DEPREC & AMORT	1,021,113	213,553	89,026	1,323,692	1,105,762
Depreciation & amortization	138,812	7,937	7,712	154,461	155,627
TOTALS	\$ <u>1,159,925</u>	\$ <u>221,490</u>	\$ <u>96,738</u>	\$ <u>1,478,153</u>	\$ <u>1,261,389</u>

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

CROSS ROADS HOUSE, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30,

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from public support	\$ 1,324,889	\$ 1,116,417
Cash received from investment return	60,364	9,402
Cash received from use of facilities	-	3,500
Cash paid to employees and suppliers	(1,340,871)	(912,526)
Cash paid for interest	(8,434)	(8,894)
Net cash provided by operating activities	<u>35,948</u>	<u>207,899</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net unrealized investment gain (loss)	35,897	(9,016)
Cash paid for property and equipment	(98,145)	(18,959)
Net cash used by investing activities	<u>(62,248)</u>	<u>(27,975)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for debt reduction	(13,710)	(13,251)
Net increase (decrease) in cash	(40,010)	166,673
Cash at beginning of year	<u>400,288</u>	<u>233,615</u>
CASH AT END OF YEAR	<u>\$ 360,278</u>	<u>\$ 400,288</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 71,411	\$ (36,439)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net unrealized investment (gain) loss	(35,897)	9,016
Depreciation expense	154,236	155,402
Amortization expense	225	225
(Increase) decrease in:		
Accounts receivable	(2,429)	-
Grants receivable	(56,297)	96,941
Unconditional promises to give	33,075	(32,434)
Prepaid expenses	(8,039)	(23,999)
Beneficial interest in assets held by others	(10,181)	10,263
Cash and cash equivalents, operating reserve	(389)	(8,271)
Cash and marketable securities, long-term reserve	(70,813)	(48,099)
Increase (decrease) in:		
Accounts payable	(22,266)	25,282
Deferred income	(13,736)	47,685
Accrued payroll items	(2,952)	12,327
Total adjustments	<u>(35,463)</u>	<u>244,338</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 35,948</u>	<u>\$ 207,899</u>

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

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Cross Roads House, Inc. (Cross Roads House), was organized March 24, 1982, but was essentially activated January 1, 1984. The purpose of the organization is to provide safe and supportive emergency and transitional shelter to individuals and families experiencing homelessness in southeastern New Hampshire.

Basis of Accounting

Income and expenses are reported on the accrual basis, which means that income is recognized as it is earned and expenses are recognized as they are incurred whether or not cash is received or paid out at that time.

Use of Estimates

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

Income Taxes

Cross Roads House received a letter of determination dated July 28, 1986 from the Internal Revenue Service advising it that it qualified as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, it is not subject to income tax. Cross Roads House is classified as other than a private foundation.

Financial Statement Presentation

Cross Roads House presents its financial statements in accordance with Accounting Standards Codification No. 958-210, "Financial Statements of Not-for-Profit Organizations". Under ASC No. 958-210, Cross Roads House 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. In addition, Cross Roads House is required to present a statement of cash flows.

Cash and Cash Equivalents

For purposes of these financial statements all non-custodial highly liquid investments with an initial maturity of less than three months or investments with a per share value constant at one dollar are considered to be cash equivalents. Cash equivalents were \$137,357 and \$246,196 as of June 30, 2017 and 2016.

Accounts Receivable

Accounts receivable consist primarily of amounts due from the State in support of homeless operations. An allowance for doubtful accounts is established based on historical experience and management's evaluation of outstanding accounts receivable at the end of each year. As of June 30, 2017 and 2016 management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

Subsequent events have been evaluated through September 12, 2017 the date the financial statements were available to be issued. A housing discrimination suit was filed on July 13, 2017 with the New Hampshire Commission on Human Rights by a former resident. All charges have been denied and management maintains that the allegations are without merit. The insurance company has engaged an attorney who does not view the charge to fall within the definition of materiality, as the organization is insured for the claim and as the claim appears to lack in significant merit.

Promises to Give/Contributions

Contributions are recognized when the donor makes a promise to give to Cross Roads House that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

An allowance for uncollectible unconditional promises is established based on historical experience and management's evaluation of outstanding unconditional pledges at the end of each year. As of June 30, 2017, management considers all pledges to be fully collectible.

All unconditional promises to give are current and consist of the following, as of June 30,

	2017	2016
Capital campaign	\$ 171,000	\$ 196,000
Wentworth Gala event	71,675	79,750
TOTALS	\$ 242,675	\$ 275,750

Investment Valuation and Income Recognition

The Organization's investments as of June 30, 2017 are stated at fair value. Shares of the separate investment accounts are valued at quoted market prices, which represent the net value of shares held by the Organization at year-end. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. As of June 30, 2017, investments have a market value of \$798,384, cost basis of \$768,170 and unrealized gains of \$30,214.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are recorded at cost for those items which have been purchased, and at estimated fair market value for those items which have been donated. The cost of buildings and improvements is recovered using the straight-line method over estimated useful lives of 10 to 33 years. The cost of furniture, fixtures and equipment is recovered using the straight-line method over estimated useful lives of 2 to 7 years. Property and equipment as of June 30, 2017 consisted of the following:

Land and improvements	\$	217,266
Buildings and improvements		5,635,372
Furniture and equipment		168,593
Total property and equipment		6,021,231
Less accumulated depreciation		1,382,026
Property and equipment, net	\$	<u>4,639,205</u>

Contributions

Cross Roads House records its contributions as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Donated Services

Contributions of services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended June 30, 2017 and 2016, there were no amounts for donated services.

Donated Materials

Donated marketable securities and property and equipment are valued at fair market value. Marketable securities are immediately sold and are included in the statement of activities as donations. Donated securities were received and valued as follows during the years ended June 30,

	<u>2017</u>	<u>2016</u>
Marketable securities	\$ 27,311	\$ 41,918

Functional Allocation of Expenses

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

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2017

NOTE B - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Cross Roads House is a beneficiary of an agency endowment fund at The New Hampshire Charitable Foundation. Pursuant to the terms of the resolution establishing this fund, property contributed to The New Hampshire Charitable Foundation is held as a separate fund designated for the benefit of Cross Roads House. In accordance with its spending policy, the Foundation makes distributions from the fund to Cross Roads House. The distributions are 4.03% of the market value of the fund per year.

Activity in this endowment fund consisted of the following for the years ended June 30,

	2017	2016
Beginning, fair value, 7/1	\$ 120,344	\$ 130,607
Total return	16,415	(4,237)
Foundation fee	(868)	(860)
Distributions	(5,366)	(5,166)
Ending, fair value, 6/30	\$ <u>130,525</u>	\$ <u>120,344</u>

Distributions represent amounts distributed to Cross Roads House and are shown as unrestricted dividends.

NOTE C - INVESTMENTS AT FAIR VALUE

Cross Roads House records its marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets, in the statement of activities.

Following is a description of the valuation methodologies used for assets measured at fair value.

Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value of shares held by the plan at year end.

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

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2017

NOTE C - INVESTMENTS AT FAIR VALUE (continued)

The Organization reports under the Fair Value Measurements, which established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

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

Investments, all at level 1, at fair value as of consisted of the following:

	2017	2016
Cash & equivalents	\$ 137,357	\$ 246,196
Domestic equities	338,591	269,949
Domestic fixed income	220,534	169,899
International fixed income	101,902	41,138
TOTALS	\$ <u>798,384</u>	\$ <u>727,182</u>

NOTE D - LONG-TERM DEBT

	Current	Long-term	Total
Note payable, People's United Bank, monthly payment is \$1,403, 3.92% interest; secured by property and equipment; note matures June 2033.	\$ 9,188	\$ 190,584	\$ 199,772
Note payable, NH Community Development Authority, monthly payment is \$443, 2.00% interest; secured by property; note matures November 2019.	<u>5,207</u>	<u>7,411</u>	<u>12,518</u>
Total long-term debt	\$ <u>14,295</u>	\$ <u>197,995</u>	\$ <u>212,290</u>

Future principal loan payments are as follows for the years ended,

June 30,	2018.	\$ 14,295
	2019.	14,765
	2020.	12,189
	2021.	10,350
	2022.	12,350
	Thereafter. . .	148,341

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2017

NOTE E - ACCRUED PAYROLL ITEMS

Accrued payroll items consisted of the following as of the years ended June 30,

	2017	2016
Payroll and payroll taxes	\$ 929	\$ 12,810
Earned time	39,797	30,868
Totals	\$ <u>40,726</u>	\$ <u>43,678</u>

NOTE F - UNRESTRICTED BOARD DESIGNATED NET ASSETS

The Board of Directors of Cross Roads House has approved the following designations of net assets as of June 30,

	2017	2016
Long-term reserve	\$ 672,926	\$ 602,113
Operating reserve	125,458	125,069
Totals	\$ <u>798,384</u>	\$ <u>727,182</u>

Board designated long-term reserve represents amounts held to enhance the capitalization of Cross Roads House. Unrestricted board designated net assets may not be liquidated or expended without the approval of the Board of Directors.

NOTE G - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets total \$171,000, all of which is available for the capital campaign.

NOTE H - CONCENTRATION OF CREDIT RISK

As of June 30, 2017 and 2016, Cross Roads House has a cash balance held by a bank that was in excess of the amount insured by the Federal Deposit Insurance Corporation. The uninsured amount was \$111,687 and \$169,370, respectively.

Cross Roads House has a cash balance held by an investment brokerage firm that is insured by the Securities Investor Protection Corporation. There were no uninsured amounts as of June 30, 2017 and 2016.

Cross Roads House derived 34% of its operating revenue from government agencies.

NOTE I - COMMITMENTS AND CONTINGENCIES

Cross Roads House receives money under various state and federal grants. Under the terms of these grants, Cross Roads House is required to use the money within the grant period for purposes specified in the grant proposal. If expenditures of the grant were found not to have been made in compliance with the proposal, Cross Roads House may be required to repay the grantor's funds.

CROSS ROADS HOUSE, INC.

FINANCIAL STATEMENTS

Year Ended June 30, 2018
with Summarized Financial Information
for the Year Ended June 30, 2017

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Sanders & Karcher
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cross Roads House, Inc.
Portsmouth, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of Cross Roads House, Inc. (a nonprofit organization) as of June 30, 2018 which comprise the statement of financial position and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Board of Directors
Cross Roads House, Inc.
Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cross Roads House, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Cross Roads House, Inc.'s financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 12, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sanders & Karcher
Portsmouth, New Hampshire
October 16, 2018

CROSS ROADS HOUSE, INC.
STATEMENTS OF FINANCIAL POSITION
June 30,

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 296,061	\$ 360,278
Accounts receivable	3,886	2,429
Grants receivable	135,467	67,350
Unconditional promises to give	194,075	242,675
Prepaid expenses	44,853	54,288
Total current assets	<u>674,342</u>	<u>727,020</u>
PROPERTY & EQUIPMENT, net of accumulated depreciation of \$1,537,549 & \$1,382,026, respectively	4,935,034	4,639,205
OTHER ASSETS		
Closing costs, net of accumulated amortization of \$1,502 & \$1,297, respectively	3,097	57
Cash and marketable securities, long-term reserve	757,367	672,926
Beneficial interest in assets held by others	134,758	130,525
Cash and cash equivalents, operating reserve	126,746	125,458
Total other assets	<u>1,021,968</u>	<u>928,966</u>
TOTAL ASSETS	\$ <u>6,631,344</u>	\$ <u>6,295,191</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 32,133	\$ 18,515
Deferred income	25,000	41,449
Long-term debt, current portion	23,672	14,295
Accrued payroll items	52,530	40,726
Total current liabilities	<u>133,335</u>	<u>114,985</u>
LONG-TERM DEBT, net of current portion	<u>601,639</u>	<u>197,995</u>
Total liabilities	734,974	312,980
NET ASSETS		
Unrestricted		
Designated	884,113	798,384
Undesignated	4,791,499	4,882,302
Temporarily restricted	86,000	171,000
Permanently restricted	134,758	130,525
Total net assets	<u>5,896,370</u>	<u>5,982,211</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>6,631,344</u>	\$ <u>6,295,191</u>

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

CROSS ROADS HOUSE, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30,

	2018	2017
PUBLIC SUPPORT AND REVENUES:		
PUBLIC SUPPORT		
Government grants	\$ 535,348	\$ 499,636
Donations	589,882	632,635
Fundraising, net of direct expenses of \$63,137 and \$46,365, respectively	465,703	356,930
Total public support	1,590,933	1,489,201
REVENUES		
Investment return	59,788	50,182
Total revenues	59,788	50,182
Total public support and revenues	1,650,721	1,539,383
EXPENSES		
Program services	1,198,072	1,021,113
General and administrative	288,636	213,553
Fundraising	98,360	89,026
Total expenses	1,585,068	1,323,692
CHANGE IN OPERATING NET ASSETS BEFORE DEPRECIATION	65,653	215,691
Less depreciation and amortization	155,727	154,461
INCREASE (DECREASE) IN OPERATING NET ASSETS	(90,074)	61,230
BUILDING SUPPORT	85,000	25,000
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	(5,074)	86,230
TEMPORARILY RESTRICTED NET ASSETS		
Public support	463,090	479,155
Restrictions satisfied by use	(548,090)	(504,155)
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	(85,000)	(25,000)
PERMANENTLY RESTRICTED ASSETS		
Investment return	9,338	15,547
Distributions	(5,105)	(5,366)
INCREASE (DECREASE) IN PERMANENTLY RESTRICTED NET ASSETS	4,233	10,181
INCREASE (DECREASE) IN NET ASSETS	(85,841)	71,411
NET ASSETS, Beginning of year	5,982,211	5,910,800
NET ASSETS, End of year	\$ 5,896,370	\$ 5,982,211

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

CROSS ROADS HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30,

	2018				2017
	Program Services	General and Admin	Fund- Raising	Total	Total
Management salaries	\$ 65,781	\$ 148,427	\$ 25,575	\$ 239,783	\$ 237,036
Salaries and wages	537,287	11,523	38,123	586,933	507,130
Employee benefits	72,671	44,024	1,002	117,697	99,054
Payroll taxes	49,108	12,796	5,096	67,000	59,555
Professional fees	1,666	14,996	-	16,662	12,868
Bad debt	-	-	2,975	2,975	7,359
Advertising and promotion	-	-	2,903	2,903	5,630
Office and administration	9,869	28,894	10,387	49,150	52,748
Heat	17,989	1,000	999	19,988	14,221
Electricity	31,806	1,748	1,747	35,301	30,274
Water and sewer	25,590	1,179	1,179	27,948	23,566
Repairs and maintenance	87,662	4,871	4,871	97,404	71,758
Interest	12,675	704	704	14,083	8,435
Insurance	28,572	1,588	1,587	31,747	28,033
Food	37,063	-	-	37,063	30,759
Direct services	211,889	5,250	-	217,139	120,208
Telephone	1,010	7,884	1,212	10,106	6,056
Volunteer development	-	2,926	-	2,926	2,798
Staff and program development	7,434	826	-	8,260	6,204
TOTALS BEFORE DEPREC & AMORT	1,198,072	288,636	98,360	1,585,068	1,323,692
Depreciation & amortization	138,811	9,204	7,712	155,727	154,461
TOTALS	\$ 1,336,883	\$ 297,840	\$ 106,072	\$ 1,740,795	\$ 1,478,153

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

CROSS ROADS HOUSE, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30,

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from public support	\$ 1,410,801	\$ 1,324,889
Cash received from investment return	64,021	60,364
Cash paid to employees and suppliers	(1,524,091)	(1,340,871)
Cash paid for interest	(13,361)	8,434)
Net cash provided (used) by operating activities	(62,630)	35,948
CASH FLOWS FROM INVESTING ACTIVITIES		
Net unrealized investment gain (loss)	39,988	35,897
Cash paid for property and equipment	(454,596)	(98,145)
Net cash used by investing activities	(414,608)	(62,248)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from borrowings	625,000	-
Cash paid for debt reduction	(211,979)	(13,710)
Net cash (used) provided by financing activities	413,021	(13,710)
Net decrease in cash	(64,217)	(40,010)
Cash at beginning of year	<u>360,278</u>	<u>400,288</u>
CASH AT END OF YEAR	\$ <u>296,061</u>	\$ <u>360,278</u>

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

CROSS ROADS HOUSE, INC.
STATEMENTS OF CASH FLOWS (continued)
Years Ended June 30,

	<u>2018</u>	<u>2017</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (85,841)	\$ 71,411
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net unrealized investment gain	(39,988)	(35,897)
Depreciation expense	155,522	154,236
Amortization expense	205	225
(Increase) decrease in:		
Accounts receivable	(1,457)	(2,429)
Grants receivable	(68,117)	(56,297)
Unconditional promises to give	48,600	33,075
Prepaid expenses	9,435	(8,039)
Beneficial interest in assets held by others	(4,233)	(10,181)
Cash and cash equivalents, operating reserve	(1,288)	(389)
Cash and marketable securities, long-term reserve	(84,441)	(70,813)
Increase (decrease) in:		
Accounts payable	13,618	(22,266)
Deferred income	(16,449)	(13,736)
Accrued payroll items	<u>11,804</u>	<u>(2,952)</u>
Total adjustments	<u>23,211</u>	<u>(35,463)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (<u>62,630</u>)	\$ <u>35,948</u>

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

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Cross Roads House, Inc. (Cross Roads House), was organized March 24, 1982, but was essentially activated January 1, 1984. The purpose of the organization is to provide safe and supportive emergency and transitional shelter to individuals and families experiencing homelessness in southeastern New Hampshire.

Basis of Accounting

Income and expenses are reported on the accrual basis, which means that income is recognized as it is earned and expenses are recognized as they are incurred whether or not cash is received or paid out at that time.

Use of Estimates

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

Income Taxes

Cross Roads House received a letter of determination dated July 28, 1986 from the Internal Revenue Service advising it that it qualified as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, it is not subject to income tax. Cross Roads House is classified as other than a private foundation.

Financial Statement Presentation

Cross Roads House presents its financial statements in accordance with Accounting Standards Codification No. 958-210, "Financial Statements of Not-for-Profit Organizations". Under ASC No. 958-210, Cross Roads House 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. In addition, Cross Roads House is required to present a statement of cash flows.

Cash and Cash Equivalents

For purposes of these financial statements all non-custodial highly liquid investments with an initial maturity of less than three months or investments with a per share value constant at one dollar are considered to be cash equivalents. Cash equivalents were \$126,804 and \$137,357 as of June 30, 2018 and 2017.

Accounts Receivable

Accounts receivable consist primarily of amounts due from the State in support of homeless operations. An allowance for doubtful accounts is established based on historical experience and management's evaluation of outstanding accounts receivable at the end of each year. As of June 30, 2018 and 2017 management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

Subsequent events have been evaluated through October 16, 2018 the date the financial statements were available to be issued. A housing discrimination suit was filed on July 13, 2017 with the New Hampshire Commission on Human Rights by a former resident. All charges have been denied and management maintains that the allegations are without merit. The insurance company has engaged an attorney who does not view the charge to fall within the definition of materiality, as the organization is insured for the claim and as the claim appears to lack in significant merit. The organization purchased twelve single room occupancy rental units in Portsmouth, New Hampshire in May 2018 that became available for rent after the end of the fiscal year.

Promises to Give/Contributions

Contributions are recognized when the donor makes a promise to give to Cross Roads House that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

An allowance for uncollectible unconditional promises is established based on historical experience and management's evaluation of outstanding unconditional pledges at the end of each year. As of June 30, 2018, management considers all pledges to be fully collectible.

All unconditional promises to give are current and consist of the following, as of June 30,

	2018	2017
Capital campaign	\$ 86,000	\$ 171,000
Wentworth Gala event	108,075	71,675
TOTALS	\$ 194,075	\$ 242,675

Functional Allocation of Expenses

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

Contributions

Cross Roads House records its contributions as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are recorded at cost for those items which have been purchased, and at estimated fair market value for those items which have been donated. The cost of buildings and improvements is recovered using the straight-line method over estimated useful lives of 10 to 33 years. The cost of furniture, fixtures and equipment is recovered using the straight-line method over estimated useful lives of 2 to 7 years. Property and equipment as of June 30, 2018 consisted of the following:

Land and improvements	\$ 217,266
Buildings and improvements	6,065,715
Furniture and equipment	<u>189,602</u>
Total property and equipment	6,472,583
Less accumulated depreciation	<u>1,537,549</u>
Property and equipment, net	\$ <u>4,935,034</u>

Donated Services

Contributions of services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended June 30, 2018 and 2017, there were no amounts for donated services.

Donated Materials

Donated marketable securities and property and equipment are valued at fair market value. Marketable securities are immediately sold and are included in the statement of activities as donations. Donated securities were received and valued as follows during the years ended June 30,

	<u>2018</u>	<u>2017</u>
Marketable securities	\$ 31,970	\$ 27,311

Investment Valuation and Income Recognition

The Organization's investments as of June 30, 2018 are stated at fair value. Shares of the separate investment accounts are valued at quoted market prices, which represent the net value of shares held by the Organization at year-end. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. As of June 30, 2018, investments have a market value of \$884,113, cost basis of \$844,142 and unrealized gains of \$39,971.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2018

NOTE B - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Cross Roads House is a beneficiary of an agency endowment fund at The New Hampshire Charitable Foundation. Pursuant to the terms of the resolution establishing this fund, property contributed to The New Hampshire Charitable Foundation is held as a separate fund designated for the benefit of Cross Roads House. In accordance with its spending policy, the Foundation makes distributions from the fund to Cross Roads House. The distributions are 4.03% of the market value of the fund per year.

Activity in this endowment fund consisted of the following for the years ended June 30,

	2018	2017
Beginning, fair value, 7/1	\$ 130,525	\$ 120,344
Total return	10,227	16,415
Foundation fee	(889)	(868)
Distributions	(5,105)	(5,366)
Ending, fair value, 6/30	\$ <u>134,758</u>	\$ <u>130,525</u>

Distributions represent amounts distributed to Cross Roads House and are shown as unrestricted dividends.

NOTE C - INVESTMENTS AT FAIR VALUE

Cross Roads House records its marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets, in the statement of activities.

Following is a description of the valuation methodologies used for assets measured at fair value.

Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value of shares held by the plan at year end.

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

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2018

NOTE C - INVESTMENTS AT FAIR VALUE (continued)

The Organization reports under the Fair Value Measurements, which established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

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

Investments, all at level 1, at fair value as of consisted of the following:

	2018	2017
Cash & equivalents	\$ 126,804	\$ 137,357
Domestic equities	369,057	338,591
Domestic fixed income	271,664	220,534
International fixed income	116,588	101,902
TOTALS	\$ <u>884,113</u>	\$ <u>798,384</u>

NOTE D - ACCRUED PAYROLL ITEMS

Accrued payroll items consisted of the following as of the years ended June 30,

	2018	2017
Payroll and payroll taxes	\$ 4,382	\$ 929
Earned time	48,148	39,797
Totals	\$ <u>52,530</u>	\$ <u>40,726</u>

NOTE E - LINE OF CREDIT

The organization has established a \$300,000 line of credit with Provident Bank with a current interest rate of 5.25%. The interest rate is directly tied to the Wall Street Journal Prime Rate with no margin. Accordingly, any changes to this rate will change the organization's line of credit rate. There was no outstanding balance as of June 30, 2018.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2018

NOTE F - LONG-TERM DEBT

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Note payable, Provident Bank, monthly payment is \$1,293, 4.69% interest; secured by property and equipment; note matures August 2037.	\$ 6,519	\$ 188,383	\$ 194,902
Note payable, Provident Bank, monthly payment is \$2,070, 5.62% interest; secured by property and equipment; note matures March 2038.	8,493	286,183	294,676
Note payable, Provident Bank, monthly payment is \$942, 6.29% interest; secured by property and equipment; note matures May 2038.	3,450	124,872	128,322
Note payable, NH Community Development Authority, monthly payment is \$443, 2.00% interest; secured by property; note matures November 2019.	<u>5,210</u>	<u>2,201</u>	<u>7,411</u>
Total long-term debt	\$ <u>23,672</u>	\$ <u>601,639</u>	\$ <u>625,311</u>

Future principal loan payments are as follows for the years ended,

June 30,	2019.	\$ 23,672
	2020.	21,689
	2021.	20,571
	2022.	21,715
	2023.	22,924
	Thereafter. . .	514,740

NOTE G - UNRESTRICTED BOARD DESIGNATED NET ASSETS

The Board of Directors of Cross Roads House has approved the following designations of net assets as of June 30,

	<u>2018</u>	<u>2017</u>
Long-term reserve	\$ 757,367	\$ 672,926
Operating reserve	<u>126,746</u>	<u>125,458</u>
Totals	\$ <u>884,113</u>	\$ <u>798,384</u>

Board designated long-term reserve represents amounts held to enhance the capitalization of Cross Roads House. Unrestricted board designated net assets may not be liquidated or expended without the approval of the Board of Directors.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2018

NOTE H - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets total \$86,000, all of which is available for the capital campaign.

NOTE I - CONCENTRATION OF CREDIT RISK

As of June 30, 2018, Cross Roads House has a cash balance held by a bank that is insured by the Federal Deposit Insurance Corporation for \$250,000, any amount in excess is fully covered by the Massachusetts Depositors Insurance Fund.

Cross Roads House has a cash balance held by an investment brokerage firm that is insured by the Securities Investor Protection Corporation.

Cross Roads House derived 32% of its operating revenue from government agencies.

NOTE J - COMMITMENTS AND CONTINGENCIES

Cross Roads House receives money under various state and federal grants. Under the terms of these grants, Cross Roads House is required to use the money within the grant period for purposes specified in the grant proposal. If expenditures of the grant were found not to have been made in compliance with the proposal, Cross Roads House may be required to repay the grantor's funds.

CROSS ROADS HOUSE, INC.

FINANCIAL STATEMENTS

Year Ended June 30, 2019
with Summarized Financial Information
for the Year Ended June 30, 2018

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Sanders & Karcher
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cross Roads House, Inc.
Portsmouth, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of Cross Roads House, Inc. (a nonprofit organization) as of June 30, 2019 which comprise the statements of financial position and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements.

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

Auditor's Responsibility

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

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

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

Board of Directors
Cross Roads House, Inc.
Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cross Roads House, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Cross Roads House, Inc.'s financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 16, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sanders & Karcher

Sanders & Karcher
Portsmouth, New Hampshire
September 16, 2019

CROSS ROADS HOUSE, INC.
STATEMENTS OF FINANCIAL POSITION
June 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 321,023	\$ 296,061
Accounts receivable	4,988	3,886
Grants receivable	134,294	135,467
Unconditional promises to give	135,678	194,075
Prepaid expenses	97,934	44,853
Total current assets	<u>693,917</u>	<u>674,342</u>
PROPERTY & EQUIPMENT, net of accumulated depreciation of \$1,701,060 & \$1,537,549, respectively	4,771,523	4,935,034
OTHER ASSETS		
Closing costs, net of accumulated amortization of \$1,664 & \$1,502, respectively	2,935	3,097
Cash and marketable securities, long-term reserve	837,157	757,367
Beneficial interest in assets held by others	132,451	134,758
Cash and cash equivalents, operating reserve	126,560	126,746
Total other assets	<u>1,099,103</u>	<u>1,021,968</u>
TOTAL ASSETS	<u>\$ 6,564,543</u>	<u>\$ 6,631,344</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 38,272	\$ 32,133
Deferred income	10,000	25,000
Long-term debt, current portion	21,689	23,672
Security deposits-Greenleaf Apartments	6,728	-
Accrued payroll items	67,367	52,530
Total current liabilities	<u>144,056</u>	<u>133,335</u>
LONG-TERM DEBT, net of current portion	579,544	601,639
Total liabilities	<u>723,600</u>	<u>734,974</u>
NET ASSETS		
Without donor restrictions		
Board Designated	963,717	884,113
Undesignated	4,744,775	4,791,499
With donor restrictions	132,451	220,758
Total net assets	<u>5,840,943</u>	<u>5,896,370</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,564,543</u>	<u>\$ 6,631,344</u>

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

CROSS ROADS HOUSE, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30,

	2019	2018
PUBLIC SUPPORT AND REVENUES:		
PUBLIC SUPPORT		
Government grants	\$ 588,763	\$ 535,348
Donations	636,763	589,882
Rental income	94,981	-
Fundraising, net of direct expenses of \$ 45,547 and \$63,137, respectively	421,010	465,703
Total public support	<u>1,741,517</u>	<u>1,590,933</u>
REVENUES		
Investment return	51,134	59,788
Total revenues	<u>51,134</u>	<u>59,788</u>
Total public support and revenues	<u>1,792,651</u>	<u>1,650,721</u>
EXPENSES		
Program services	1,298,764	1,198,072
General and administrative	265,879	288,636
Fundraising	117,456	98,360
Total expenses	<u>1,682,099</u>	<u>1,585,068</u>
CHANGE IN OPERATING NET ASSETS BEFORE DEPRECIATION	110,552	65,653
Less depreciation and amortization	<u>163,673</u>	<u>155,727</u>
DECREASE IN OPERATING NET ASSETS	(53,121)	(90,074)
BUILDING SUPPORT	<u>86,000</u>	<u>85,000</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	32,879	(5,074)
NET ASSETS WITH DONOR RESTRICTIONS		
Public support	572,255	463,090
Restrictions satisfied by use	(658,255)	(548,090)
Investment return	2,872	9,338
Distributions	(5,178)	(5,105)
DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	(88,306)	(80,767)
DECREASE IN NET ASSETS	(55,427)	(85,841)
NET ASSETS, Beginning of year	5,896,370	5,982,211
NET ASSETS, End of year	\$ <u>5,840,943</u>	\$ <u>5,896,370</u>

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

CROSS ROADS HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30,

	2019				2018
	Program Services	General and Admin	Fund- Raising	Total	Total
Management salaries	\$ 43,991	\$ 128,293	\$ 25,575	\$ 197,859	\$ 239,783
Salaries and wages	574,931	28,120	56,074	659,125	586,933
Employee benefits	103,515	28,841	1,002	133,358	117,697
Payroll taxes	50,992	11,249	4,568	66,809	67,000
Professional fees	2,434	14,108	-	16,542	16,662
Bad debt	1,110	-	5,347	6,457	2,975
Advertising and promotion	-	-	2,205	2,206	2,903
Office and administration	10,653	27,600	10,387	48,640	49,150
Heat	26,747	3,592	999	31,338	19,988
Electricity	31,196	1,648	1,747	34,591	35,301
Water and sewer	28,331	1,179	1,178	30,688	27,948
Repairs and maintenance	91,902	1,844	4,871	98,616	97,404
Interest	31,606	704	704	33,014	14,083
Insurance	28,572	1,596	1,587	31,755	31,747
Food	26,130	-	-	26,130	37,063
Direct services	234,894	-	-	234,894	217,139
Telephone	4,245	6,667	1,212	12,124	10,106
Volunteer development	81	7,650	-	7,731	2,926
Staff and program development	7,434	2,788	-	10,222	8,260
TOTALS BEFORE DEPRECIATION AND AMORTIZATION	1,298,764	265,879	117,456	1,682,099	1,585,068
Depreciation and amortization	146,800	9,161	7,712	163,673	155,727
TOTALS	\$ 1,445,564	\$ 275,040	\$ 125,168	\$ 1,845,772	\$ 1,740,795

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

CROSS ROADS HOUSE, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30,

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from public support	\$ 1,663,854	\$ 1,410,801
Cash received from investment return	48,828	64,021
Cash paid to employees and suppliers	(1,649,904)	(1,524,091)
Cash paid for interest	(33,014)	(13,361)
Net cash provided (used) by operating activities	29,764	(62,630)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net unrealized investment gain	19,276	39,988
Cash paid for property and equipment	-	(454,596)
Net cash provided (used) by investing activities	19,276	(414,608)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from borrowings	-	625,000
Cash paid for debt reduction	(24,078)	(211,979)
Net cash provided (used) by financing activities	(24,078)	413,021
Net increase (decrease) in cash	24,962	(64,217)
Cash at beginning of year	<u>296,061</u>	<u>360,278</u>
CASH AT END OF YEAR	<u>\$ 321,023</u>	<u>\$ 296,061</u>

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

CROSS ROADS HOUSE, INC.
STATEMENTS OF CASH FLOWS (continued)
Years Ended June 30,

	2019	2018
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Decrease in net assets	\$ (55,427)	\$ (85,841)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net unrealized investment gain	(19,276)	(39,988)
Depreciation expense	162,009	155,522
Amortization expense	1,664	205
(Increase) decrease in:		
Accounts receivable	(1,102)	(1,457)
Grants receivable	1,173	(68,117)
Unconditional promises to give	58,397	48,600
Prepaid expenses	(53,081)	9,435
Beneficial interest in assets held by others	2,307	(4,233)
Cash and cash equivalents, operating reserve	186	(1,288)
Cash and marketable securities, long-term reserve	(79,790)	(84,441)
Increase (decrease) in:		
Accounts payable	6,139	13,618
Security deposits-Greenleaf Apartments	6,728	-
Deferred income	(15,000)	(16,449)
Accrued payroll items	<u>14,837</u>	<u>11,804</u>
Total adjustments	<u>85,191</u>	<u>23,211</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>29,764</u>	\$ (<u>62,630</u>)

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

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Cross Roads House, Inc. (Cross Roads House), was organized March 24, 1982, but was essentially activated January 1, 1984. The purpose of the organization is to provide safe and supportive emergency and transitional shelter to individuals and families experiencing homelessness in southeastern New Hampshire.

Use of Estimates

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

Income Taxes

Cross Roads House received a letter of determination dated July 28, 1986 from the Internal Revenue Service advising it that it qualified as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, it is not subject to income tax. Cross Roads House is classified as other than a private foundation.

Financial Statement Presentation

Cross Roads House reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. The Organization accounts for contributions as either with or without donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose of the restriction.

Cash and Cash Equivalents

For purposes of these financial statements all non-custodial highly liquid investments with an initial maturity of less than three months or investments with a per share value constant at one dollar are considered to be cash equivalents. Cash equivalents were \$148,835 and \$126,804 as of June 30, 2019 and 2018.

Accounts Receivable

Accounts receivable consist primarily of amounts due from the State in support of homeless operations. An allowance for doubtful accounts is established based on historical experience and management's evaluation of outstanding accounts receivable at the end of each year. As of June 30, 2019 and 2018 management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

Income and expenses are reported on the accrual basis, which means that income is recognized as it is earned and expenses are recognized as they are incurred whether or not cash is received or paid out at that time.

Subsequent Events

Subsequent events have been evaluated through September 16, 2019 the date the financial statements were available to be issued.

Promises to Give/Contributions

Cross Roads House accounts for contributions without donor restrictions and with donor restrictions, depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose restrictions. An allowance for uncollectible unconditional promises is established based on historical experience and management's evaluation of outstanding unconditional pledges at the end of each year. As of June 30, 2019, management considers all pledges to be fully collectible.

All unconditional promises to give are current and consist of the following, as of June 30,

	2019	2018
Capital campaign	\$ -	\$ 86,000
Wentworth Gala event	135,678	108,075
TOTALS	\$ 135,678	\$ 194,075

Functional Allocation of Expenses

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

Investment Valuation and Income Recognition

The Organization's investments as of June 30, 2019 are stated at fair value. Shares of the separate investment accounts are valued at quoted market prices, which represent the net value of shares held by the Organization at year-end. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. As of June 30, 2019, investments have a market value of \$963,717, cost basis of \$944,441 and unrealized gains of \$19,276.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are recorded at cost for those items which have been purchased, and at estimated fair market value for those items which have been donated. The cost of buildings and improvements is recovered using the straight-line method over estimated useful lives of 10 to 33 years. The cost of furniture, fixtures and equipment is recovered using the straight-line method over estimated useful lives of 2 to 7 years. Property and equipment as of June 30, 2019 consisted of the following:

Land and improvements	\$ 217,266
Buildings and improvements	6,065,715
Furniture and equipment	189,602
Total property and equipment	6,472,583
Less accumulated depreciation	1,701,060
Property and equipment, net	\$ <u>4,771,523</u>

Donated Services

Contributions of services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended June 30, 2019 and 2018, there were no amounts for donated services.

Donated Materials

Donated marketable securities and property and equipment are valued at fair market value. Marketable securities are immediately sold and are included in the statement of activities as donations. Donated securities were received and valued as follows during the years ended June 30,

	<u>2019</u>	<u>2018</u>
Marketable securities	\$ 34,564	\$ 31,970

NOTE B - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Cross Roads House is a beneficiary of an agency endowment fund at The New Hampshire Charitable Foundation. Pursuant to the terms of the resolution establishing this fund, property contributed to The New Hampshire Charitable Foundation is held as a separate fund designated for the benefit of Cross Roads House. In accordance with its spending policy, the Foundation makes distributions from the fund to Cross Roads House. The distributions are 4.03% of the market value of the fund per year.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2019

NOTE B - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (continued)

Activity in this endowment fund consisted of the following for the years ended June 30,

	2019	2018
Beginning, fair value, 7/1	\$ 134,758	\$ 130,525
Total return	3,778	10,227
Foundation fee	(907)	(889)
Distributions	(5,178)	(5,105)
Ending, fair value, 6/30	\$ <u>132,451</u>	\$ <u>134,758</u>

Distributions represent amounts distributed to Cross Roads House and are shown as unrestricted dividends.

NOTE C - INVESTMENTS AT FAIR VALUE

Cross Roads House records its marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets, in the statement of activities.

Following is a description of the valuation methodologies used for assets measured at fair value.

Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value of shares held by the plan at year end.

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

The Organization reports under the Fair Value Measurements, which established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2019

NOTE C - INVESTMENTS AT FAIR VALUE (continued)

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

Investments, all at level 1, at fair value as of consisted of the following:

	2019	2018
Cash & equivalents	\$ 148,835	\$ 126,804
Domestic equities	531,565	369,057
Domestic fixed income	283,317	271,664
International fixed income	-	116,588
TOTALS	\$ <u>963,717</u>	\$ <u>884,113</u>

NOTE D - ACCRUED PAYROLL ITEMS

Accrued payroll items consisted of the following as of the years ended June 30,

	2019	2018
Payroll and payroll taxes	\$ 20,194	\$ 4,382
Earned time	47,173	48,148
Totals	\$ <u>67,367</u>	\$ <u>52,530</u>

NOTE E - COMMITMENTS AND CONTINGENCIES

Cross Roads House receives money under various state and federal grants. Under the terms of these grants, Cross Roads House is required to use the money within the grant period for purposes specified in the grant proposal. If expenditures of the grant were found not to have been made in compliance with the proposal, Cross Roads House may be required to repay the grantor's funds.

NOTE F - LINE OF CREDIT

The organization has established a \$300,000 line of credit with Provident Bank with a current interest rate of 5.25%. The interest rate is directly tied to the Wall Street Journal Prime Rate with no margin. Accordingly, any changes to this rate will change the organization's line of credit rate. There was no outstanding balance as of June 30, 2019.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

NOTE G - LONG-TERM DEBT

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Note payable, Provident Bank, monthly payment is \$1,293, 4.69% interest; secured by property and equipment; note matures August 2037.	\$ 6,832	\$ 181,684	\$ 188,516
Note payable, Provident Bank, monthly payment is \$2,070, 5.62% interest; secured by property and equipment; note matures March 2038.	8,982	277,439	286,421
Note payable, Provident Bank, monthly payment is \$942, 6.29% interest; secured by property and equipment; note matures May 2038.	3,673	120,421	124,094
Note payable, NH Community Development Authority, monthly payment is \$443, 2.00% interest; secured by property; note matures November 2019.	<u>2,202</u>	<u>-</u>	<u>2,202</u>
Total long-term debt	\$ <u>21,689</u>	\$ <u>579,544</u>	\$ <u>601,233</u>

Future principal loan payments are as follows for the years ended,

June 30,	2020.	\$ 21,689
	2021.	20,571
	2022.	21,715
	2023.	22,924
	2024.	24,200
	Thereafter. . .	490,134

NOTE H - CONCENTRATION OF CREDIT RISK

As of June 30, 2019, Cross Roads House has a cash balance held by a bank that is insured by the Federal Deposit Insurance Corporation for \$250,000, any amount in excess is fully covered by the Massachusetts Depositors Insurance Fund.

Cross Roads House has a cash balance held by an investment brokerage firm that is insured by the Securities Investor Protection Corporation.

Cross Roads House derived 34% of its operating revenue from government agencies.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

NOTE I - GREENLEAF APARTMENTS

Cross Roads House purchased a 12-unit single room occupancy building in Portsmouth, NH in April 2018. Applicants must meet certain requirements as defined in a Tenant Selection Plan to qualify for these low-income units. Rental income was \$94,981 and rental expenses totaled \$81,331 for the year ended June 30, 2019. Rental expenses are included in the statement of functional expenses as program expenses.

NOTE J - LIQUIDITY AND AVAILABILITY OF RESOURCES

As part of Cross Roads House's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the organization invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the organization has a committed line of credit in the amount of \$300,000, which it could draw upon. The organization also has a Board designated reserve of \$963,717. Although, the organization does not intend to spend from its reserve other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its reserve could be made available if necessary.

CROSS ROADS HOUSE, INC.

Mission Statement

At Cross Roads House:

We protect men, women and children of the Greater Seacoast area experiencing homelessness from exposure and hunger.

We provide secure, transitional shelter for those seeking to break the cycle of homelessness.

We support individuals and families by providing them with the opportunity to move with dignity and purpose to stable and decent housing.

*Cross Roads Horse, Inc.
Board List.*

Name	Affiliation*	Committees	Term Began	Term Ends
Adams, Michael	Architect	Building	2016	2022
Allison, Tim	CCSNH	Development	2012	2022
Bresette, Suzanne	Stratège Partners	Executive, Program, Development	2007	2022
Brown, Bob Treasurer	Self employed/consultant	Finance	2011	2020
Campbell, Eric	Bottomline Technologies, Inc.	Program	2015	2021
Cloutier, Denis	CSNH	Program, Building	2012	2022
Cohen, Ken	Psychiatrist	Program	2013	2022
Dillon, Denis	McLane Middleton	Nominating & Governance, Development	2004	2021
Drew, Kathryn	Merrill Lynch Wealth Management/Bank of America Corp.	Nominating & Governance	1999	2021
Goddard, Steve	Retired	Development	2019	2021
Martindale, Vivan	Retired	Program	2006	2022
Mathews, Shaun	Retired	Finance, Program	2019	2021
Moore, Vanda Secretary	Sprague Energy	Executive, Development	2013	2022
Scourby, Lex	Chicken of the Sea Frozen Foods	Executive, Finance, Nominating & Governance, Development	2003	2021
Silva, Chuck Vice President	Albany International, Corp.	Executive, Nominating & Governance	2015	2021
St. Jean, Ben President	Clipper Strategic Consulting, LLC	Executive, Finance, Building	2015	2021
Worboys, Mary Lee	Retired	Program	2011	2020

Martha E. Stone

EXPERIENCE

7/13 – present **Executive Director**, Cross Roads House, Portsmouth, NH

Chief executive of 96+ bed not-for-profit homeless shelter. Oversee and manage annual budget of \$1.5M and shelter operations. Maintain relationships with state and municipal authorities, and ensure regulatory compliance. Manage federal, state, municipal and private grant solicitations, contract compliance, and reporting. Direct fundraising activities and supervise development staff. Provide executive-level advocacy with medical, social service, and government agencies.

1/04 – 7/13 **Development Director**, Cross Roads House, Portsmouth, NH

Raise \$600,000+ annually to support shelter operations. Responsible for planning and implementing all fundraising activities including individual and corporate giving, direct mail appeals, special events, corporate & foundation grants, and planned giving. Oversee volunteer activities, donor database management, and gift processing. Plan and execute donor stewardship activities and events. Design and produce marketing materials. Represent organization at community events and manage public relations activities. Work closely with Board of Directors to set and achieve fundraising goals. From 2007- 2009 managed a \$5M capital campaign to fund the design and construction of a new shelter facility.

7/94-1/04 **Co-Owner**, Stone Signs & Designs, Portsmouth, NH

Manage all financial records including accounts payable and receivable; involved in strategic planning and goal setting; created and maintained customer database.

7/94-1/04 **Co-Owner and Property Manager**, Stone Properties, Greenland, NH

Own and operate multiple residential and commercial properties in the Seacoast; maintain financial records including accounts payable and receivable, schedule and coordinate all aspects of maintenance for buildings, interview and process all tenant applications; handle tenant needs.

3/92-6/94 **Marketing Manager**, Healthsource, Concord, NH

Supervised staff of eleven; oversaw the servicing and retention of over 400 accounts by closely monitoring all account renewal activities; created marketing strategies to increase annual membership; designed and developed service program including manuals for client use; trained new Account Managers in all aspects of the position including: negotiating, presentation skills, and conflict resolution; regularly conducted presentations for clients explaining health benefits and policy changes.

10/89-3/92 **Marketing Representative**, Healthsource, Concord, NH

Accountable for renewing and retaining 75 accounts; executed enrollment activities by: gathering underwriting data, presenting benefit plans to both employers and employees in group settings, and negotiating annual contracts; sold health insurance products to new employers.

3/89-10/89 **Marketing Representative**, Beacon Health, Greenland, NH

Serviced existing accounts by coordinating enrollment activities including: developing annual rates, conducting group presentations, and designing marketing materials; sold HMO product to employer groups; actively participated in management team meetings; supervised administrative assistant.

5/87-3/89 Marketing Assistant, Hardenburgh-Marks Inc., Boston, MA

Imported and marketed high end gift merchandise; supervised public relations activities; designed and produced literature for new products; prepared for and traveled to trade shows; sold directly to buyers; provided customer service to retail clients.

EDUCATION

Bachelor of Arts, Communications: May 1987
Boston College, Chestnut Hill, MA Honors: Magna Cum Laude

Temple University, London, England
Spring Semester Abroad, Communications and Theater Program 1986

COMPUTER SKILLS

Word, Excel, PowerPoint, Outlook, Constant Contact, Raiser's Edge fundraising software

COMMUNITY INVOLVEMENT

9/17-present NH Governor's Interagency Council on Homelessness, Concord, NH
2/17-present Housing Action NH, Governing Council, Concord, NH
5/14-present Balance of State Continuum of Care, Executive Committee Co-Chair, Concord, NH
7/12-present Greater Seacoast Coalition to End Homelessness, Steering Committee, Portsmouth, NH
3/08-present Seacoast Half Marathon, Committee Member, Portsmouth, NH
2/04- 3/15 Greenland Central School, School Board Member, Greenland, NH
9/00-6/03 Greenland Central School Parent Organization, President & VP, Greenland, NH
1998-99 Mothers & More, Co-Leader, Portsmouth, NH
1998-99 Seacoast Parenting Conference, Fundraising & Hospitality Committees, Portsmouth, NH

SANDRA L. BEAUDRY
Licensed Marriage and Family Therapist, NH #22

EDUCATION

Master of Science, December, 1992

Marriage and Family Therapy
University of New Hampshire
Hampshire

1987

Bachelor of Science, September,

Human Services
University of Southern New

CLINICAL AND SOCIAL SERVICE MANAGEMENT EXPERIENCE

CROSS ROADS HOUSE

Portsmouth, NH
present

January 2014 to

Program Director

- Supervise Shelter and Community-Based Clinical Case Management program
- Responsible for enhancement of programming to support residents physical and emotional well-being, self-sufficiency, and move to permanent housing
- Establish inter-agency partnerships
- Seek diverse funding, including government and private grants and the provision of reimbursable services
- Identify and meet direct and clinical service staff training needs

CHILD AND FAMILY SERVICES

Manchester, Concord, Portsmouth, NH
2014

February 1997 to January

Program Director

October 2008 to

January 2014

Program Leadership and Supervision

- Directed statewide counseling and adolescent/young adult substance abuse treatment programs and a federally-funded mentoring/family support program for youth being released from the Sununu Youth Services Center (joint project with Goodwill of NNE)
- Supervised 14 direct report clinical staff and two interns
- Supported implementation of Trauma-Focused Cognitive Behavioral Therapy and trauma-informed care
- Provided supervision and clinical support to the Seacoast Street Outreach Program mental health clinician and oversaw the mental health subcontract with the Healthcare for the Homeless program at Families First
- Developed and maintain procedure manuals for counseling and substance abuse treatment programs
- Oversaw quality assurance of clinical records and implementation of evidence-based practices
- Developed, monitored and maintained program budgets that have ranged from a total of \$1 million to \$1.4 million annually
- Supervised and coordinated the statewide CFS Deployment Cycle Support Program, which provided home-based counseling and support to military service members and their families before, during, and after deployment, through a subcontract with Easter Seals
- Directed the Family Intervention Program, state-contracted barrier-resolution services for TANF recipients in the New Hampshire Employment Program across the state, including four sub-contracts with Family Resource Centers

- Provided administrative and clinical support to *Healthy Marriage Responsible Fatherhood* federal grant project serving fathers in the state prison system and their families

Grants and Contracts

- Managed or co-managed four multi-year federal grants from SAMHSA, OJJDP, and ACF, including data collection and reporting, continuation applications, annual progress reports, and no-cost extension requests
- Managed state contracts with BDAS, DOC, and DFA, including proposal writing and submission, data collection and reporting, and budget development
- Wrote or contributed to grant proposals to foundations, including grants received from Peoples United Bank for Seacoast office-based family counseling and Healthcare Gives for mobile mental health services in the Street Outreach Program
- Developed proposals and received funding from United Way agencies across the state
- Wrote proposals to municipalities, including the city of Portsmouth, and presented to town selectman or budget meetings
- Facilitated agency contracts with managed care companies for counseling and substance abuse treatment services and the credentialing of CFS clinical staff
- Provided the CFS agency administrator function for WITS, the web-based treatment, data, pay-for-performance, and billing center for Access to Recovery and BDAS treatment contracts

Board and Community Involvement

- Served as the staff liaison to the CFS Seacoast Regional Advisory Board, facilitating monthly meetings and their work in fundraising, including the RiverWoods Gala and the Lonza golf tournament
- Facilitated a multi-disciplinary advisory board for the CFS Adolescent Substance Abuse Treatment program with representatives from prevention, treatment, school and juvenile justice service providers
- Represented CFS on the following boards: *New Hampshire Alcohol and Other Drug Service Providers Association*, *Health First* (Laconia and Franklin), and *Community Resource Network* (Seacoast)
- Serve as Board Secretary and Conference Registrar for the *New Hampshire Association for Infant Mental Health*
- Arranged professional conferences in ethics and motivational interviewing for CFS and community clinical/social work staff

Program Manager

June 2007 to October 2008

Managed Family Intervention Program

Marriage and Family Therapist 2007

February 1997 to June

Provided assessment and psychotherapy services to individuals, couples and families in a variety of Seacoast area settings, including community-based therapy to individuals and families experiencing homelessness or housing insecurity in conjunction with the *Healthcare for the Homeless* program, consultation to *Community Child Care Center*, and critical incident response with the state *Disaster Behavioral Health Response Team*. Served on the board of *SeaCare Health Services* for nine years as the mental health representative.

COMMUNITY PARTNERS

Rochester, NH

Home-Based Clinician

May 1992 to February 1997

Provided home-based family therapy, case management, and provider consultation services to multi-problem families in Strafford County. Taught Child Impact seminar for divorcing parents.

RESIDENTIAL AND CASE MANAGEMENT EXPERIENCE IN DEVELOPMENTAL DISABILITIES

Service Coordinator

October 1988 to August 1991

Provided service coordination and individual support to developmentally disabled adults and their families.

Merrimack Valley Case Management Team, Mass. Dept. of Mental Retardation, Haverhill, MA

Case Manager

April 1987 to September 1988

Obtained and coordinated community services for developmentally disabled adults.

One Sky, Portsmouth, NH

Coordinator of Community Residences

December 1984 to

April 1987

Supervised the operation of four licensed community residences for developmentally disabled adults

Group Home Coordinator

February 1983 to

December 1984

Established and managed group home for four deinstitutionalized men.

Sullivan County Developmental Services, Claremont, NH

Assistant Residential Program Supervisor

March 1982 to

January 1983

ACCESS, Conshohocken, PA

Resident Manager

November 1980 to March

1982

River Crest Center, Mont Clare, PA

PROFESSIONAL MEMBERSHIP AND EDUCATION

Clinical Member and Approved Supervisor, American Association of Marriage and Family Therapy

Adjunct Professor

January 2013 to May 2015

Spring Semester Marriage and Family Therapy Graduate Practicum, University of New Hampshire

Teaching Assistant

September 1991 to May 1992

Introduction to Human Development course, University of New Hampshire

Susan Darling Duchesney

Experience 2002-Current

Finance Director Cross Roads House

Manage accounting including payroll, government reporting and audit preparation as well as human resources functions for major seacoast nonprofit.

1996- Current AA Associates Portsmouth, NH *Accounting Consultant*

Manage small business accounting in various industries. Types of businesses include construction, property management, restaurants, athletic clubs, and personal service corporations.

Consult with clients regarding budgeting, corporate development, general operations, and equity analysis.

Set up and provide technical assistance on Quickbooks systems.

Prior to 1996-

Fiscal Director of major nonprofit organizations

including North Shore Elder Services, Preterm Clinic, Manchester VNA and the Seacoast YWCA.

Adjunct Faculty at Seacoast Colleges including Granite State College and Southern NH University

Education	1991	Passed all parts of the CPA exam
	2009	Graduate Certificate in Fraud Examination
	2005	Southern New Hampshire University <i>M.S. in Accounting</i>
	1990	McIntosh College <i>A.A. in Accounting (3.9 average)</i>
	1973-1975	University of NH, graduate work in business administration
	1964	University of NH <i>B.A in History cum laude</i>

Honors & Affiliations CPA candidate(test passed, absence of public accounting experience)
Associate member of AICPA
Certified Fraud Examiner, Member of ACFE

Skills

Excel, Quickbooks, most accounting software and 1040 tax software

References

Available upon request

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Martha Stone	Executive Director	100,000	0	
Sandra Beaudry	Program Director	68,078	0	
Susan Duchesney	Finance Director	55,055	0	