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

Nicholas A. Toumpas  
Commissioner

Lorraine Bartlett  
Director

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

February 27, 2015

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

**Requested Action**

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to enter into an amendment to exercise the renewal option in the contract with Easter Seals New Hampshire, Inc., (Vendor # 92504), 555 Auburn Street, Manchester, New Hampshire, for the provision of after hours information and referral services, by increasing the price limitation by \$85,750 from \$84,967 in an amount not to exceed \$170,717 and extending the end date of the agreement from June 30, 2015 to June 30, 2017, effective July 1, 2015 or date of Governor and Executive Council approval, whichever is later Governor and Executive Council approved the original agreement on April 17, 2013 (Item # 48). 39% Federal Funds and 61% General Funds.

Funds to support this request are available in the following account for State Fiscal Year 2015, and are anticipated to be available in State Fiscal Year 2016 and State Fiscal Year 2017 upon availability and continued appropriation of funds in the future operating budget, with the ability to adjust encumbrances between State Fiscal Year through the Budget Office without Governor and Executive Council approval, if needed and justified.

**05-95-42-421010-2957 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, CHILD PROTECTION, CHILD PROTECTION**

Fiscal Year	Class/Object	Class Title	Activity Code	Amounts
2014	102-500734	Contracts for Program Services	42105719	\$42,092
2015	102-500734	Contracts for Program Services	42105719	\$42,875
2016	102-500734	Contracts for Program Services	42105719	\$42,875
2017	102-500734	Contracts for Program Services	42105719	\$42,875
			Total	\$170,717

**EXPLANATION**

The purpose of this amendment is for the continuation of after hours information and referral services. After hours information and referral services are needed to ensure that abused or neglected children have a safe place to stay when they are removed from their homes during the Division's non-

business hours; and the potential for harm to children at risk of abuse or neglect is reduced by bringing the issue to the attention of local law enforcement agencies during the Division's non-business hours, that children in DCYF guardianship who required medical treatment can receive authorization for that treatment from a DCYF Administrator, that citizens are provided with quality information and referral services about community resources their families may need, 24-hours a day; and if needed, the public can discuss a child abuse or neglect concern during Division for Children, Youth and Families non-business hours.

The original contract was competitively bid. The Department of Health and Human Services issued a Request for Proposals for the provision of after hours information and referral services on October 5, 2012 and republished it on December 14, 2012. Two proposals were received.

The proposals were evaluated by a team of Department of Health and Human Services employees with knowledge of the program requirements. The team also included staff with significant business and management expertise. Easter Seals New Hampshire, Inc. received the highest score and was selected as the vendor able to provide the needed services.

The original agreement calls for the provision of after hours information and referral services for two years and reserves the Division's option to renew these services for up to two additional years, based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Executive Council approval.

Easter Seals New Hampshire has provided these services well, they utilize highly skilled clinical staff to respond to urgent child welfare calls received through these services and the Division is confident that people accessing these services are receiving quality information and emergency placements of children are appropriately managed.

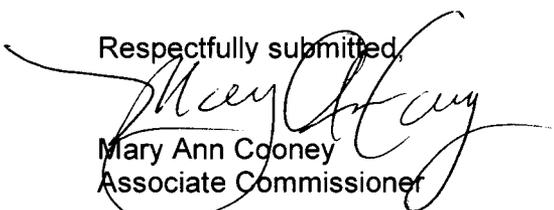
Should Governor and Executive Council not approve this request New Hampshire citizen would not receive quality information and referral services about community resources their families may need, 24-hours a day; the potential harm to children would be at greater risk of abuse and neglect because this service provides an avenue for the public to report abuse and neglect during the Division's non-business hours and brings the issue to the attention of local law enforcement agencies.

Geographic area served: Statewide

Source of funds: 39% Federal, 61% General.

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

Respectfully submitted,

  
Mary Ann Cooney  
Associate Commissioner

Approved by:

  
Nicholas Toumpas  
Commissioner

Proposal Evaluation Summary

After Hours Information and Referral Services RFP #13-DCYF-AHRS-09

January 16, 2013

Individual Evaluator Scores

1. General Evaluation Criteria (Up to 33 Points for each criteria - value 6% of total)

	Robert Boisvert		Marie Noonan		John Harrington		Lorraine Bartlett		Deb Kavanaugh		Ernest Seals (ES)		Celia Plus (CP)	
	ES	CP	ES	CP	ES	CP	ES	CP	ES	CP	Average	Raw	Average	Raw
a	33.00	33.00	33.00	33.00	25.00	25.00	25.00	25.00	33.00	33.00	29.80	149.00	29.80	149.00
b	33.00	33.00	33.00	33.00	25.00	25.00	25.00	25.00	33.00	33.00	29.80	149.00	29.80	149.00
c	33.00	25.00	33.00	15.00	33.00	25.00	25.00	15.00	33.00	15.00	33.00	165.00	18.00	95.00
<b>Sub Total</b>	<b>99.00</b>	<b>91.00</b>	<b>99.00</b>	<b>81.00</b>	<b>83.00</b>	<b>75.00</b>	<b>83.00</b>	<b>65.00</b>	<b>99.00</b>	<b>81.00</b>	<b>4.83</b>	<b>483.00</b>	<b>3.93</b>	<b>393.00</b>

2. Experience (Up to 26 Points for each criteria - value 20% of total)

	Robert Boisvert		Marie Noonan		John Harrington		Lorraine Bartlett		Deb Kavanaugh		Ernest Seals (ES)		Celia Plus (CP)	
	ES	CP	ES	CP	ES	CP	ES	CP	ES	CP	Average	Raw	Average	Raw
a	25.00	20.00	25.00	20.00	20.00	25.00	25.00	20.00	25.00	20.00	24.00	120.00	21.00	105.00
b	25.00	15.00	25.00	15.00	20.00	20.00	25.00	15.00	25.00	15.00	25.00	125.00	16.00	80.00
c	20.00	5.00	20.00	15.00	25.00	20.00	20.00	5.00	25.00	5.00	22.00	110.00	10.00	50.00
d	20.00	25.00	25.00	20.00	25.00	20.00	20.00	20.00	25.00	20.00	23.00	115.00	21.00	105.00
<b>Sub Total</b>	<b>90.00</b>	<b>65.00</b>	<b>95.00</b>	<b>70.00</b>	<b>95.00</b>	<b>85.00</b>	<b>90.00</b>	<b>60.00</b>	<b>100.00</b>	<b>60.00</b>	<b>18.80</b>	<b>470.00</b>	<b>13.60</b>	<b>340.00</b>

3. Program Description (Up to 28 Points for each criteria - value 35% of total)

	Robert Boisvert		Marie Noonan		John Harrington		Lorraine Bartlett		Deb Kavanaugh		Ernest Seals (ES)		Celia Plus (CP)	
	ES	CP	ES	CP	ES	CP	ES	CP	ES	CP	Average	Raw	Average	Raw
a	25.00	5.00	25.00	5.00	20.00	15.00	20.00	5.00	25.00	5.00	23.00	115.00	7.00	35.00
b	25.00	5.00	25.00	15.00	20.00	15.00	25.00	15.00	25.00	15.00	24.00	120.00	13.00	65.00
c	25.00	15.00	25.00	0.00	25.00	15.00	25.00	15.00	25.00	5.00	25.00	125.00	10.00	50.00
d	20.00	20.00	20.00	25.00	20.00	25.00	15.00	20.00	20.00	20.00	19.00	95.00	22.00	110.00
<b>Sub Total</b>	<b>95.00</b>	<b>45.00</b>	<b>95.00</b>	<b>45.00</b>	<b>85.00</b>	<b>70.00</b>	<b>85.00</b>	<b>55.00</b>	<b>85.00</b>	<b>45.00</b>	<b>31.85</b>	<b>466.00</b>	<b>16.20</b>	<b>260.00</b>

4. Cost and Resources (Up to 26 Points for each criteria - value 40% of total)

	Robert Boisvert		Marie Noonan		John Harrington		Lorraine Bartlett		Deb Kavanaugh		Ernest Seals (ES)		Celia Plus (CP)	
	ES	CP	ES	CP	ES	CP	ES	CP	ES	CP	Average	Raw	Average	Raw
a	15.00	25.00	20.00	25.00	20.00	25.00	20.00	25.00	20.00	20.00	19.00	95.00	24.00	120.00
b	15.00	20.00	20.00	20.00	20.00	20.00	20.00	15.00	20.00	20.00	19.00	95.00	19.00	95.00
c	15.00	15.00	20.00	15.00	20.00	20.00	20.00	15.00	20.00	15.00	19.00	95.00	16.00	80.00
d	15.00	15.00	20.00	15.00	20.00	20.00	15.00	15.00	15.00	15.00	17.00	85.00	16.00	80.00
<b>Sub Total</b>	<b>60.00</b>	<b>75.00</b>	<b>80.00</b>	<b>75.00</b>	<b>80.00</b>	<b>85.00</b>	<b>75.00</b>	<b>70.00</b>	<b>75.00</b>	<b>70.00</b>	<b>28.60</b>	<b>370.00</b>	<b>30.00</b>	<b>375.00</b>
<b>TOTAL</b>	<b>344.00</b>	<b>276.00</b>	<b>368.00</b>	<b>271.00</b>	<b>343.00</b>	<b>316.00</b>	<b>333.00</b>	<b>250.00</b>	<b>369.00</b>	<b>256.00</b>	<b>64.88</b>	<b>1768.00</b>	<b>66.73</b>	<b>1368.00</b>

EVALUATION COMMITTEE BACKGROUND

Robert Boisvert: DCYF Administrator, Business Operations; oversight of After-Hours Contract, former DCYF Child Protection Assistant Administrator and Training Bureau Administrator.  
 Marie Noonan: Field Administrator, DCYF Bureau of Child Protection; has oversight of three DCYF District Offices, as well as DCYF Central Intake. She is the on-call Administrator.  
 John Harrington: Contract Specialist, DHHS  
 Lorraine Bartlett: Administrator, DCYF Bureau of Child Protection; has oversight of Statewide child protection program and on call Assistant Child Protection Administrators  
 Deb Kavanaugh: Field Administrator, DCYF Bureau of Child Protection



**State of New Hampshire  
Department of Health and Human Services  
Amendment #1 to the After Hours Information and Referral Services Contract**

This 1st Amendment to the After Hours Information and Referral Services contract (hereinafter referred to as "Amendment #1") dated this 6th day of February, 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Easter Seals New Hampshire, Inc., (hereinafter referred to as "the Contractor"), a nonprofit corporation with a place of business at 555 Auburn Street, Manchester, NH 03103.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on April 17, 2013 (item #48), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, and Exhibit B Paragraph 3, the State may renew the contract for two (2) additional years by written agreement of the parties and approval of the Governor and Executive Council; and;

WHEREAS, the parties agree to increase the price limitation and extend the Contract for two (2) years; and

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

To amend as follows:

1. Form P-37, General Provisions, Item 1.7, Completion Date, to read:  
June 30, 2017
2. Form P-37, General Provisions, Item 1.8, Price Limitation, to read:  
\$170,717
3. Form P-37, General Provisions, Item 1.9, Contracting Officer for State Agency, to read:  
Eric D. Borrin
4. Form P-37, General Provisions, Item 1.10, to read:  
(603) 271-9558
5. Exhibit A, Scope of Services, CONTRACT PERIOD, to read:  
July 1, 2013 to June 30, 2017
6. Delete Exhibit A, Scope of Services, Section 6, Special Provision, paragraph a.
7. Exhibit B, Purchase of Services, Program Period to read:  
July 1, 2013 to June 30, 2017
8. Exhibit B, Purchase of Services, Paragraph 1, to read:  
The total of all payments made to the Contractor shall not exceed the amount in Form P-37, General Provisions, Item 1.8, Price Limitation.



**New Hampshire Department of Health and Human Services**  
**After Hours Information and Referral Services**

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9. Exhibit B, Purchase of Services, Paragraph 2, to read:  
Monthly payment to the Contractor shall be made based on a cost reimbursement based on actual expenditures incurred in fulfillment of this agreement. Expenditures shall be submitted in accordance with the line item budget shown on Exhibit B-2 and Exhibit B-3 - Amendment #1, and shall be made subject to the following conditions:
10. Exhibit B, Purchase of Services, Paragraph 2.1, to read:
  - 2.1 A DCYF generated invoice template, specific to this agreement, shall be completed by the Contractor, signed by an authorized representative of the Contractor and returned to:  
Fiscal Administrator  
Department of Health and Human Services  
Division for Children, Youth and Families  
129 Pleasant Street,  
Concord, NH 03301-3857
11. Exhibit B, Purchase of Services, Paragraph 2.2, to read:  
Payment of the full Contract Price shall be contingent upon the Contractor providing the Contractor match, as indicated in the Exhibits. Expenditures shall be in accordance with the approved line item budget shown in Exhibit B-2 and Exhibit B-3 – Amendment #1. Any adjustments in a line item in Exhibit B-2 or Exhibit B-3 – Amendment #1 in excess of 10% shall require the prior written approval of the Division for Children, Youth and Families.
12. Add Exhibit B-3 – Amendment #1.
13. Delete Standard Exhibit C, Special Provisions, and replace with Exhibit C, Special Provisions.
14. Add Exhibit C-1.
15. Standard Exhibit D, Certification Regarding Drug-Free Workplace Requirements, Period Covered by this Certification, to read:  
From 7/1/2013 to 6/30/2017
16. Standard Exhibit E, Certification Regarding Lobbying, Contract Period, to read:  
July 1, 2013 through June 30, 2017
17. Delete Standard Exhibit G, Certification Regarding the Americans with Disabilities Act Compliance, and replace with Exhibit G, Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections.



New Hampshire Department of Health and Human Services  
After Hours Information and Referral Services

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

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

State of New Hampshire  
Department of Health and Human Services

3/8/15  
Date

Mary Ann Cooney  
Mary Ann Cooney  
Associate Commissioner

Easter Seals New Hampshire, Inc.

2/10/2015  
Date

Elin McLaughlin  
Name: Elin McLaughlin  
Title: CEO

Acknowledgement:  
State of New Hampshire County of Hillsborough on February 10, 2015 before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Randy M. Beebe  
Name and Title of Notary or Justice of the Peace

My Commission Expires: 10/15/19



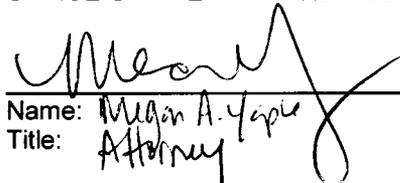
**New Hampshire Department of Health and Human Services**  
**After Hours Information and Referral Services**

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

OFFICE OF THE ATTORNEY GENERAL

3/16/15  
Date

  
Name: Megan A. Yaple  
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name:  
Title:

**New Hampshire Department of Health and Human Services**  
**Bidder/Program Name: Easter Seals New Hampshire, Inc.**  
**Budget Request for: After Hours Information and Referral Services**  
  
**Budget Period: SFY 2016 (7-1-2015 - 6-30-2016)**

	Direct Indirect	Indirect Fixed	Total State Cost	Bidder Match	Total State	Allocation
1. Total Salary/Wages	\$28,487.00	\$	\$28,487.00	\$	\$28,487.00	
2. Employee Benefits	\$8,261.00	\$	\$8,261.00	\$	\$8,261.00	
3. Consultants	\$	\$	\$	\$	\$	
4. Equipment:						
Rental	\$	\$	\$	\$	\$	
Repair and Maintenance	\$	\$	\$	\$	\$	
Purchase/Depreciation	\$	\$	\$	\$	\$	
5. Supplies:						
Educational	\$	\$	\$	\$	\$	
Office	\$200.00	\$	\$200.00	\$	\$200.00	
6. Travel	\$	\$	\$	\$	\$	
7. Occupancy	\$	\$	\$	\$2,400.00	\$2,400.00	
8. Current Expenses						
Telephone	\$1,800.00	\$	\$1,800.00	\$	\$1,800.00	
Postage	\$300.00	\$	\$300.00	\$	\$300.00	
Subscriptions	\$	\$	\$	\$	\$	
Audit and Legal	\$	\$	\$	\$	\$	
Insurance	\$	\$	\$	\$	\$	
Board Expenses	\$	\$	\$	\$	\$	
9. Software	\$	\$	\$	\$	\$	
10. Marketing/Communications	\$	\$	\$	\$	\$	
11. Staff Education and Training	\$	\$	\$	\$	\$	
12. Subcontracts/Agreements	\$	\$	\$	\$	\$	
13. Other (specific details mandatory):	\$	\$3,827.00	\$3,827.00	\$	\$3,827.00	allocation @9.8% of direct expense
<b>TOTAL</b>	<b>\$39,048.00</b>	<b>\$3,827.00</b>	<b>\$42,875.00</b>	<b>\$2,400.00</b>	<b>\$45,275.00</b>	

Indirect As A Percent of Direct

9.8%

**New Hampshire Department of Health and Human Services**  
**Bidder/Program Name: Easter Seals New Hampshire, Inc.**  
**Budget Request for: After Hours Information and Referral Services**  
**Budget Period: SFY 2017 (7-1-2016 - 6-30-2017)**

	Direct	Indirect	Total SFY	Bidder	Total SFY	Indirect Allocation
	Amount	Amount	Cost	Match	Amount	Amount
1. Total Salary/Wages	\$28,487.00	\$	\$28,487.00	\$	\$28,487.00	
2. Employee Benefits	\$8,261.00	\$	\$8,261.00	\$	\$8,261.00	
3. Consultants	\$	\$	\$	\$	\$	
4. Equipment:	\$	\$	\$	\$	\$	
Rental	\$	\$	\$	\$	\$	
Repair and Maintenance	\$	\$	\$	\$	\$	
Purchase/Depreciation	\$	\$	\$	\$	\$	
5. Supplies:	\$	\$	\$	\$	\$	
Educational	\$	\$	\$	\$	\$	
Office	\$200.00	\$	\$200.00	\$	\$200.00	
6. Travel	\$	\$	\$	\$	\$	
7. Occupancy	\$	\$	\$	\$2,400.00	\$2,400.00	
8. Current Expenses	\$	\$	\$	\$	\$	
Telephone	\$1,800.00	\$	\$1,800.00	\$	\$1,800.00	
Postage	\$300.00	\$	\$300.00	\$	\$300.00	
Subscriptions	\$	\$	\$	\$	\$	
Audit and Legal	\$	\$	\$	\$	\$	
Insurance	\$	\$	\$	\$	\$	
Board Expenses	\$	\$	\$	\$	\$	
9. Software	\$	\$	\$	\$	\$	
10. Marketing/Communications	\$	\$	\$	\$	\$	
11. Staff Education and Training	\$	\$	\$	\$	\$	
12. Subcontracts/Agreements	\$	\$	\$	\$	\$	
13. Other (specific details mandatory):	\$	\$3,827.00	\$3,827.00	\$	\$3,827.00	allocation @9.8% of direct expense
<b>TOTAL</b>	<b>\$39,048.00</b>	<b>\$3,827.00</b>	<b>\$42,875.00</b>	<b>\$2,400.00</b>	<b>\$45,275.00</b>	

Indirect As A Percent of Direct

9.8%



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

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

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

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

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

Exhibit C

Contractor Initials

*ET*

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

Date

*2/10/2015*



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

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

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

Contractor Name: Easter Seals NH, Inc.

2/10/2015  
Date

[Signature]  
Name: ELIN TRENOR  
Title: CEO

Exhibit C

Contractor Initials ET

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

Date 2/10/2015



**REVISIONS TO GENERAL PROVISIONS**

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
  4. **CONDITIONAL NATURE OF AGREEMENT.**  
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
  
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;
  - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
  - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
  - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
  - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
  - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
  
3. Subparagraph 14.1.1 of the General Provisions of this contract, is deleted and the following subparagraph is added:
  - 14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence with additional general liability umbrella insurance coverage of not less than \$15,000,000 per occurrence; and

*ET*

*2/10/2015*



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

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

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

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

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

Exhibit G

Contractor Initials

ET

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

2/14/2015

New Hampshire Department of Health and Human Services  
Exhibit G



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

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

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

Contractor Name: EAST SEASOUTH, INC.

2/10/2015  
Date

Elin Treanor  
Name: Elin Treanor  
Title: CFO

Exhibit G

Contractor Initials ET

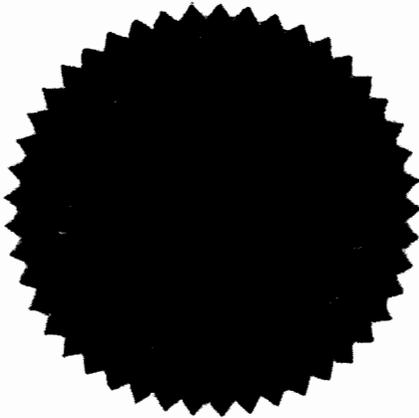
Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Date 2/10/2015

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 Easter Seals New Hampshire, Inc. is a New Hampshire nonprofit corporation formed November 6, 1967. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire.  
this 10<sup>th</sup> day of April A.D. 2014

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

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

1. I am a duly elected Officer of Easter Seals NH, Inc.  
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on June 11, 2014 :  
(Date)

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

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 10 day of February, 2015.  
(Date Contract Signed)

4. Elin Treanor is the duly elected Chief Financial Officer  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Betty Burke  
(Signature of the Elected Officer)

STATE OF New Hampshire

County of Hillsborough

The forgoing instrument was acknowledged before me this 10<sup>th</sup> day of February 20 15.

By Betty Burke  
(Name of Elected Officer of the Agency)

Sherry M. Boelee  
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 10/15/19

Client#: 497072

EASTSEA7

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 8/22/2014

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

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

PRODUCER: USI Insurance Services LLC, 3 Executive Park Dr., Suite 300, Bedford, NH 03110, 855-874-0123. CONTACT NAME: SANDY LACROIX, PHONE: 855-874-0123, FAX: 603-625-1107, E-MAIL ADDRESS: sandy.lacroix@usi.biz. INSURER(S) AFFORDING COVERAGE: Philadelphia Insurance Company, NAIC #: 23850.

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

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

Table with columns: INSR LTR, TYPE OF INSURANCE, ADDL SUBR INSR, WVD, POLICY NUMBER, POLICY EFF (MM/DD/YYYY), POLICY EXP (MM/DD/YYYY), LIMITS. Rows include General Liability, Automobile Liability, Umbrella Liability, and Workers Compensation.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
\*\*Supplemental Names\*\*: Easter Seals NY, Inc., Easter Seals ME, Inc., STS, Inc., Agency Realty, Inc., Easter Seals Rhode Island, Inc., Manchester Alcohol Rehabilitation Center, Inc., dba The Farnum Center, Easter Seals VT, Inc., - The General Liability policy includes a Blanket Automatic Additional Insured Endorsement that provides Additional Insured and a Blanket Waiver of Subrogation status to the Certificate Holder, only when there is a written contract or written agreement between the named insured and the (See Attached Descriptions)

CERTIFICATE HOLDER: State of NH, Dept. of Health & Human Services, Concord, NH 03301. CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE: E. Arnold

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## **Mission:**

Easter Seals provides exceptional services to ensure that all people with disabilities or special needs and their families have equal opportunities to live, learn, work and play in their communities.

**Easter Seals New Hampshire, Inc.  
and Subsidiaries**

Consolidated Financial Statements and  
Other Financial Information

*Years Ended August 31, 2014 and 2013  
With Independent Auditors' Report*

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
OTHER FINANCIAL INFORMATION**

For the Years Ended August 31, 2014 and 2013

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# BAKER | NEWMAN | NOYES

Certified Public Accountants

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Easter Seals New Hampshire, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH), which comprise the consolidated statements of financial position as of August 31, 2014 and 2013, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

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

### *Auditors' Responsibility*

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

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

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

To the Board of Directors  
Easter Seals New Hampshire, Inc. and Subsidiaries

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Easter Seals NH as of August 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying other financial information is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014 on our consideration of Easter Seals New Hampshire, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Easter Seals New Hampshire, Inc. and Subsidiaries' internal control over financial reporting and compliance.

Manchester, New Hampshire  
December 5, 2014

*Baker* *Nauman* & *Noyes*  
Limited Liability Company

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

August 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 2,757,134	\$ 3,042,621
Accounts receivable from affiliates	341,653	247,471
Program and other accounts receivable, less contractual allowance of \$218,900 in 2014 and \$210,300 in 2013, and allowance for doubtful accounts of \$440,800 in 2014 and \$930,400 in 2013	10,122,747	11,224,708
Contributions receivable, less allowance for doubtful accounts of \$45,400 in 2014 and \$25,500 in 2013	705,374	686,110
Current portion of assets limited as to use	300,046	541,961
Prepaid expenses and other current assets	<u>678,326</u>	<u>783,844</u>
Total current assets	14,905,280	16,526,715
Assets limited as to use, net of current portion	986,277	4,558,513
Fixed assets, net	25,094,383	28,066,884
Property held for sale	1,289,894	822,504
Bond issuance costs, net	235,113	244,751
Investments, at fair value	13,833,046	14,264,341
Beneficial interest in trusts held by others and other assets	<u>1,550,919</u>	<u>6,830,800</u>
	<u>\$57,894,912</u>	<u>\$71,314,508</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Lines of credit	\$ 2,197,904	\$ 4,212,394
Accounts payable	1,907,743	1,812,128
Accrued expenses	4,251,482	4,143,454
Current portion of deferred revenue	858,258	839,567
Current portion of interest rate swap agreements	615,570	708,132
Current portion of long-term debt	<u>4,228,339</u>	<u>796,290</u>
Total current liabilities	14,059,296	12,511,965
Deferred revenue, net of current portion	999,167	4,218,053
Other liabilities	987,185	1,367,458
Interest rate swap agreements, less current portion	2,714,243	2,050,214
Long-term debt, less current portion	<u>18,976,300</u>	<u>25,318,667</u>
Total liabilities	37,736,191	45,466,357
Net assets:		
Unrestricted	14,189,337	14,767,708
Temporarily restricted	944,862	925,437
Permanently restricted	<u>5,024,522</u>	<u>10,155,006</u>
Total net assets	<u>20,158,721</u>	<u>25,848,151</u>
	<u>\$57,894,912</u>	<u>\$71,314,508</u>

See accompanying notes.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

Year Ended August 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Public support and revenue:</b>				
<b>Public support:</b>				
Contributions	\$ 744,262	\$ 542,179	\$ 13,813	\$ 1,300,254
Special events, net of related direct costs of \$819,901	1,059,080	756,895	-	1,815,975
Annual campaigns, net of related direct costs of \$67,889	468,261	33,589	-	501,850
Bequests	448,558	-	-	448,558
Net assets released from restrictions	<u>1,356,595</u>	<u>(1,356,595)</u>	<u>-</u>	<u>-</u>
<b>Total public support</b>	<b>4,076,756</b>	<b>(23,932)</b>	<b>13,813</b>	<b>4,066,637</b>
<b>Revenue:</b>				
Fees and grants from governmental agencies	67,725,297	-	-	67,725,297
Other fees and grants	25,094,296	-	-	25,094,296
Sales to public	4,270,196	-	-	4,270,196
Dividend and interest income	742,337	3,613	-	745,950
Rental income	65,204	-	-	65,204
Other	<u>459,188</u>	<u>-</u>	<u>-</u>	<u>459,188</u>
<b>Total revenue</b>	<b><u>98,356,518</u></b>	<b><u>3,613</u></b>	<b><u>-</u></b>	<b><u>98,360,131</u></b>
<b>Total public support and   revenue</b>	<b>102,433,274</b>	<b>(20,319)</b>	<b>13,813</b>	<b>102,426,768</b>
<b>Operating expenses:</b>				
<b>Program services:</b>				
Public health education	515,992	-	-	515,992
Professional education	29,065	-	-	29,065
Direct services	<u>89,987,134</u>	<u>-</u>	<u>-</u>	<u>89,987,134</u>
<b>Total program services</b>	<b>90,532,191</b>	<b>-</b>	<b>-</b>	<b>90,532,191</b>
<b>Supporting services:</b>				
Management and general	9,419,570	-	-	9,419,570
Fundraising	<u>2,006,939</u>	<u>-</u>	<u>-</u>	<u>2,006,939</u>
<b>Total supporting services</b>	<b><u>11,426,509</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>11,426,509</u></b>
<b>Total functional expenses</b>	<b>101,958,700</b>	<b>-</b>	<b>-</b>	<b>101,958,700</b>
Support of National programs	<u>122,586</u>	<u>-</u>	<u>-</u>	<u>122,586</u>
<b>Total operating expenses</b>	<b><u>102,081,286</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>102,081,286</u></b>
<b>Increase (decrease) in net assets from operations</b>	<b>351,988</b>	<b>(20,319)</b>	<b>13,813</b>	<b>345,482</b>

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)**

Year Ended August 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Other nonoperating expenses, gains and losses:				
Change in fair value of interest rate swaps	\$ (594,854)	\$ —	\$ —	\$ (594,854)
Net unrealized and realized gains on investments	1,496,964	37,986	—	1,534,950
Increase in fair value of beneficial interest in trusts held by others	—	—	574,970	574,970
Gain on sales and disposals of property, plant and equipment	14,352	—	—	14,352
Other nonoperating losses	<u>(249,092)</u>	<u>—</u>	<u>—</u>	<u>(249,092)</u>
	<u>667,370</u>	<u>37,986</u>	<u>574,970</u>	<u>1,280,326</u>
 Increase in net assets before effects of deconsolidation of affiliate	 1,019,358	 17,667	 588,783	 1,625,808
Deconsolidation of affiliate – see note 12	<u>(121,612)</u>	<u>(200)</u>	<u>(5,719,267)</u>	<u>(5,841,079)</u>
 Increase (decrease) in net assets before effects of discontinued operations	 897,746	 17,467	 (5,130,484)	 (4,215,271)
Loss from discontinued operations – see note 13	<u>(1,476,117)</u>	<u>1,958</u>	<u>—</u>	<u>(1,474,159)</u>
 Total (decrease) increase in net assets	 (578,371)	 19,425	 (5,130,484)	 (5,689,430)
 Net assets at beginning of year	 <u>14,767,708</u>	 <u>925,437</u>	 <u>10,155,006</u>	 <u>25,848,151</u>
Net assets at end of year	<u>\$ 14,189,337</u>	<u>\$ 944,862</u>	<u>\$ 5,024,522</u>	<u>\$ 20,158,721</u>

See accompanying notes.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

Year Ended August 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue:				
Public support:				
Contributions	\$ 861,583	\$ 1,622,346	\$ 13,648	\$ 2,497,577
Special events, net of related direct costs of \$307,832	857,369	131,154	-	988,523
Annual campaigns, net of related direct costs of \$80,637	391,930	51,304	-	443,234
Bequests	369,823	-	-	369,823
Net assets released from restrictions	<u>1,497,063</u>	<u>(1,497,063)</u>	<u>-</u>	<u>-</u>
Total public support	3,977,768	307,741	13,648	4,299,157
Revenue:				
Fees and grants from governmental agencies	63,628,203	-	-	63,628,203
Other fees and grants	24,013,223	-	-	24,013,223
Sales to public	4,019,558	-	-	4,019,558
Dividend and interest income	681,151	1,141	-	682,292
Rental income	144,771	-	-	144,771
Other	<u>679,263</u>	<u>-</u>	<u>-</u>	<u>679,263</u>
Total revenue	<u>93,166,169</u>	<u>1,141</u>	<u>-</u>	<u>93,167,310</u>
Total public support and revenue	97,143,937	308,882	13,648	97,466,467
Operating expenses:				
Program services:				
Public health education	609,102	-	-	609,102
Professional education	41,275	-	-	41,275
Direct services	<u>84,342,495</u>	<u>-</u>	<u>-</u>	<u>84,342,495</u>
Total program services	84,992,872	-	-	84,992,872
Supporting services:				
Management and general	9,403,893	-	-	9,403,893
Fundraising	<u>1,755,299</u>	<u>-</u>	<u>-</u>	<u>1,755,299</u>
Total supporting services	<u>11,159,192</u>	<u>-</u>	<u>-</u>	<u>11,159,192</u>
Total functional expenses	96,152,064	-	-	96,152,064
Support of National programs	<u>121,780</u>	<u>-</u>	<u>-</u>	<u>121,780</u>
Total operating expenses	<u>96,273,844</u>	<u>-</u>	<u>-</u>	<u>96,273,844</u>
Increase in net assets from operations	870,093	308,882	13,648	1,192,623

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)**

Year Ended August 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Other nonoperating expenses, gains and losses:				
Change in fair value of interest rate swaps	\$ 2,377,632	\$ -	\$ -	\$ 2,377,632
Net unrealized and realized gains on investments	789,496	24,173	-	813,669
Increase in fair value of beneficial interest in trusts held by others	-	-	239,436	239,436
Other nonoperating losses	(107,120)	-	-	(107,120)
Gain on sales and disposals of property, plant and equipment	<u>7,392</u>	<u>-</u>	<u>-</u>	<u>7,392</u>
	<u>3,067,400</u>	<u>24,173</u>	<u>239,436</u>	<u>3,331,009</u>
Increase in net assets before effects of discontinued operations	3,937,493	333,055	253,084	4,523,632
Loss from discontinued operations	<u>(1,107,544)</u>	<u>(6,368)</u>	<u>-</u>	<u>(1,113,912)</u>
Total increase in net assets	2,829,949	326,687	253,084	3,409,720
Net assets at beginning of year	<u>11,937,759</u>	<u>598,750</u>	<u>9,901,922</u>	<u>22,438,431</u>
Net assets at end of year	<u>\$14,767,708</u>	<u>\$ 925,437</u>	<u>\$10,155,006</u>	<u>\$25,848,151</u>

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2014

	Program Services <sup>(1)</sup>			Total	Supporting Services <sup>(1)</sup>		Total	Total Program <sup>(1)</sup> and Supporting Services Expenses	
	Public Health Education	Profes- sional Education	Direct Services		Manage- ment and General	Fund- Raising		2014	2013
Salaries and related expenses	\$377,333	\$ -	\$68,675,876	\$69,053,209	\$6,215,011	\$1,585,198	\$ 7,800,209	\$ 76,853,418	\$71,803,968
Professional fees	20,447	-	7,603,267	7,623,714	1,739,786	144,242	1,884,028	9,507,742	9,220,138
Supplies	5,348	-	2,573,547	2,578,895	70,007	29,342	99,349	2,678,244	2,701,644
Telephone	2,103	-	546,513	548,616	306,174	12,483	318,657	867,273	842,598
Postage and shipping	5,776	-	60,188	65,964	37,433	9,607	47,040	113,004	114,771
Occupancy	13,740	-	3,567,064	3,580,804	382,641	116,960	499,601	4,080,405	3,818,455
Outside printing, artwork and media	44,572	-	45,428	90,000	6,951	30,076	37,027	127,027	129,997
Travel	5,695	-	2,515,521	2,521,216	47,958	25,749	73,707	2,594,923	2,603,224
Conventions and meetings	36,240	29,065	208,482	273,787	57,207	39,580	96,787	370,574	391,528
Specific assistance to individuals (1)	-	-	1,232,641	1,232,640	12,820	-	12,820	1,245,460	956,791
Dues and subscriptions	-	-	23,206	23,206	14,917	2,716	17,633	40,839	49,217
Minor equipment purchases and equipment rental	537	-	256,918	257,455	106,538	5,663	112,201	369,656	426,239
Ads, fees and miscellaneous	4,075	-	30,638	34,713	5,316	3,747	9,063	43,776	99,624
Interest	-	-	934,985	934,985	241,231	-	241,231	1,176,216	1,093,656
Facility tax assessment	-	-	182,791	182,791	-	-	-	182,791	311,041
Depreciation and amortization	127	-	1,530,069	1,530,196	175,580	1,576	177,156	1,707,352	1,589,173
	<u>\$515,992</u>	<u>\$29,065</u>	<u>\$89,987,134</u>	<u>\$90,532,191</u>	<u>\$9,419,570</u>	<u>\$2,006,939</u>	<u>\$11,426,509</u>	<u>\$ 101,958,700</u>	<u>\$96,152,064</u>
	0.51%	0.03%	88.26%	88.80%	9.24%	1.96%	11.20%	100.00%	100.00%

(1) Excludes expenses related to deconsolidated affiliate and discontinued operations – see notes 12 and 13.

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2013

	Program Services <sup>(1)</sup>			Supporting Services <sup>(1)</sup>			Total Program <sup>(1)</sup> and Supporting Services Expenses
	Public Health Education	Professional Education	Direct Services	Management and General	Fund-Raising	Total	
Salaries and related expenses	\$432,105	\$	\$64,016,840	\$6,141,709	\$1,213,314	\$ 7,355,023	\$71,803,968
Professional fees	24,682	-	7,352,186	1,605,708	237,562	1,843,270	9,220,138
Supplies	19,447	-	2,580,451	69,601	32,145	101,746	2,701,644
Telephone	3,233	-	525,614	301,010	12,741	313,751	842,598
Postage and shipping	4,968	-	52,626	49,897	7,280	57,177	114,771
Occupancy	18,838	-	3,194,945	495,234	109,438	604,672	3,818,455
Outside printing, artwork and media	30,470	-	46,206	9,565	43,756	53,321	129,997
Travel	13,155	-	2,521,678	35,696	32,695	68,391	2,603,224
Conventions and meetings	45,984	41,275	208,479	45,752	50,038	95,790	391,528
Specific assistance to individuals	-	-	944,796	11,995	-	11,995	956,791
Dues and subscriptions	1,318	-	21,710	16,128	10,061	26,189	49,217
Minor equipment purchases and equipment rental	4,592	-	266,270	152,783	2,594	155,377	426,239
Ads, fees and miscellaneous	10,104	-	73,694	13,423	2,403	15,826	99,624
Interest	-	-	856,315	237,341	-	237,341	1,093,656
Facility tax assessment	-	-	311,041	-	-	-	311,041
Depreciation and amortization	206	-	1,369,644	218,051	1,272	219,323	1,589,173
	<u>\$609,102</u>	<u>\$41,275</u>	<u>\$84,342,495</u>	<u>\$9,403,893</u>	<u>\$1,755,299</u>	<u>\$11,159,192</u>	<u>\$96,152,064</u>
	0.63%	0.04%	87.72%	9.78%	1.83%	11.61%	100.00%

<sup>(1)</sup> Excludes expenses related to discontinued operations - see note 13.

See accompanying notes.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years Ended August 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (5,689,430)	\$ 3,409,720
Adjustments to reconcile (decrease) increase in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	1,771,703	1,807,843
Bad debt provision	265,007	774,569
Increase in fair value of beneficial interest in trusts held by others	(574,970)	(239,436)
Net loss (gain) on sales and disposals of property, plant and equipment and property held for sale and impairment losses	125,346	(283,942)
Change in fair value of interest rate swaps	594,855	(2,377,632)
Net unrealized and realized gains on investments	(1,534,950)	(813,669)
Deconsolidation of affiliate – see note 12	5,841,079	–
Changes in operating assets and liabilities:		
Accounts receivable from affiliates	(94,182)	194,509
Program and other accounts receivable	818,382	(2,677,707)
Contributions receivable	(20,090)	(194,381)
Prepaid expenses and other current assets	102,454	520,329
Other assets	81,516	(4,483)
Accounts payable and accrued expenses	304,390	(1,037,545)
Rate reserve	–	(435,008)
Deferred revenue	(61,478)	(478,150)
Other liabilities	<u>(380,273)</u>	<u>198,799</u>
Net cash provided (used) by operating activities	1,549,359	(1,636,184)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(1,244,361)	(4,859,057)
Proceeds from sale of property, plant and equipment and property held for sale	15,225	531,189
Cash provided for deconsolidation of affiliate	(21,440)	–
(Increase) decrease in investments, net	1,709,413	(444,915)
Change in assets limited as to use	<u>265,625</u>	<u>375,304</u>
Net cash provided (used) by investing activities	724,462	(4,397,479)
Cash flows from financing activities:		
Repayment of long-term debt	(825,393)	(750,199)
Issuance of long-term debt	280,575	3,194,506
Repayments on lines of credit	(53,526,692)	(27,372,936)
Borrowings on lines of credit	<u>51,512,202</u>	<u>29,602,726</u>
Net cash (used) provided by financing activities	<u>(2,559,308)</u>	<u>4,674,097</u>
Decrease in cash and cash equivalents	(285,487)	(1,359,566)
Cash and cash equivalents, beginning of year	<u>3,042,621</u>	<u>4,402,187</u>
Cash and cash equivalents, end of year	<u>\$ 2,757,134</u>	<u>\$ 3,042,621</u>

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

Years Ended August 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ <u>1,201,000</u>	\$ <u>1,119,000</u>

In 2014, Easter Seals NH transferred its sole member interest in a consolidated affiliate to an unrelated party (see note 12). During 2014 and 2013, Easter Seals NH transferred property with a net carrying value of \$607,088 and \$16,224, respectively, from fixed assets to property held for sale.

See accompanying notes.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 1. Corporate Organization and Purpose

Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH) consists of various separate nonprofit entities: Easter Seals New Hampshire, Inc. (parent and service corporation); Easter Seals New York, Inc. (Easter Seals NY); Easter Seals Maine, Inc. (Easter Seals ME); Easter Seals Rhode Island, Inc. (Easter Seals RI); Agency Realty, Inc. (real estate corporation); The Harbor Schools Incorporated (Harbor Schools); Manchester Alcoholism Rehabilitation Center; Easter Seals Connecticut, Inc. (Easter Seals CT); and Easter Seals Vermont, Inc. (Easter Seals VT). Easter Seals New Hampshire, Inc. is the sole member of each subsidiary. Easter Seals NH is affiliated with Easter Seals, Inc. (the national headquarters for the organization).

On May 22, 2013 the Board of Directors of Easter Seals New Hampshire, Inc. voted to dissolve and transfer the assets and liabilities of Special Transit Services, Inc. to Easter Seals New Hampshire, Inc.

On March 22, 2013, the Board of Directors of Easter Seals NY, voted to discontinue the Bronx Early Intervention program. On July 1, 2013, the Center for Therapeutic Recreation program located in Portland, Maine was transferred to the City of Portland and at that same time Easter Seals ME discontinued offering those services. On September 25, 2013, the Board of Directors of Easter Seals CT voted to discontinue the camp programs and cease all operations effective November 16, 2013. On January 25, 2012, the Board of Directors of Easter Seals NH voted to close Harbor Schools and cease all operations of this subsidiary, and also voted to approve discontinuing the group home and special education programs in Rutland, Vermont. On June 11, 2014, the Board of Directors of Easter Seals NH voted to discontinue the Pediatric Outpatient programs located in Manchester and Dover due to significant losses the programs were experiencing. See also note 13.

In May 2013, the Boards of Directors of Manchester Alcoholism Rehabilitation Center and Webster Place voted to merge the two organizations with Manchester Alcohol Rehabilitation Center being the surviving corporation, having found such merger to be in the best interest of both organizations. The effective date of the merger was September 1, 2013.

On July 31, 2014, Easter Seals NH entered into an agreement with The Connecticut Institute for the Blind, Inc. d/b/a Oak Hill (Oak Hill), an unrelated entity, whereby Easter Seals NH agreed to transfer its sole member interest in Easter Seals CT to Oak Hill for no consideration. See also note 12.

Easter Seals NH's purpose is to provide (1) programs and services for people with disabilities and other special needs, (2) assistance to people with disabilities and their families, (3) assistance to communities in identifying and developing needed services for residents, and (4) a climate of acceptance for people with disabilities and other special needs which will enable them to contribute to the well-being of the community. Easter Seals NH operates programs throughout New Hampshire, New York, Maine, Massachusetts (prior to the closure of Harbor Schools), Rhode Island, Vermont and Connecticut.

#### 2. Summary of Significant Accounting Policies

##### Principles of Consolidation

The consolidated financial statements include the accounts of Easter Seals New Hampshire, Inc. and the subsidiaries of which it is the sole member. Significant intercompany accounts and transactions have been eliminated in consolidation.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 2. Summary of Significant Accounting Policies (Continued)

##### Cash and Cash Equivalents

Easter Seals NH considers all highly liquid securities purchased with an original maturity of 90 days or less to be cash equivalents. Cash equivalents consist of cash, overnight repurchase agreements and money market funds, excluding assets limited as to use.

The management of Easter Seals NH has implemented a practice to establish cash reserves on hand. Approximately \$2,483,000 and \$2,432,000, respectively, of cash and cash equivalents, and approximately \$2,512,000 and \$2,238,000, respectively, of investments were on-hand under this practice as of August 31, 2014 and 2013, respectively.

##### Assets Limited as to Use and Investments

Assets limited as to use consists of cash and cash equivalents, short-term certificates of deposit with original maturities greater than 90 days, but less than one year, and investments. Investments are stated at fair value. Realized gains and losses on investments are computed on a specific identification basis. The changes in net unrealized and realized gains and losses on investments are recorded in other nonoperating expenses, gains and losses in the accompanying consolidated statements of activities and changes in net assets. Donated securities are stated at fair value determined at the date of donation.

##### Beneficial Interest in Trusts

Easter Seals NH is the beneficiary of several trusts held by others. Easter Seals NH has recorded as an asset the fair value of its interest in the trusts and such amount is included in permanently restricted net assets, based on the underlying donor stipulations. The change in the interest due to fair value change is recorded within other nonoperating expenses, gains and losses as permanently restricted activity.

##### Fixed Assets

Fixed assets are recorded at cost less accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to expense as incurred, and expenditures for major renovations are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the underlying assets.

Fixed assets obtained by Easter Seals NH as a result of acquisitions on or after September 1, 2011 are recorded at estimated fair value as of the date of the acquisition in accordance with generally accepted accounting principles guidance for acquisitions by a not-for-profit entity.

Donated property and equipment not subject to donor stipulated conditions is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support or, if significant uncertainties exist, as deferred revenue pending resolution of the uncertainties. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. See also note 5.

Property held for sale is recorded at the lower of net realizable value or carrying value. Easter Seals NH recognized impairment losses on certain property held for sale in 2014 of \$139,698, which is recorded in other nonoperating losses.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 2. Summary of Significant Accounting Policies (Continued)

##### Intangible Assets and Long-Lived Assets

Accounting rules require that intangible assets with estimable or determinable useful lives be amortized over their respective estimated useful lives to their estimated residual values, and be reviewed by management for impairment. Intangible assets at August 31, 2014 and 2013 consist of a patient list obtained in the acquisition of Webster Place.

Expected amortization of intangible assets through the end of their useful lives is as follows:

2015	\$ 33,130
2016	33,130
2017	33,130
2018	33,130
2019	33,130
Thereafter	<u>66,263</u>
	<u>\$231,913</u>

Amortization expense recognized for the patient list in 2014 and 2013 totaled \$33,130.

When there is an indication of impairment, management considers whether long-lived assets are impaired by comparing gross future undiscounted cash flows expected to be generated from utilizing the assets to their carrying amounts. If cash flows are not sufficient to recover the carrying amount of the assets, impairment has occurred and the assets are written down to their fair value. Significant estimates and assumptions are required to be made by management in order to evaluate possible impairment.

Based on current facts, estimates and assumptions, management believes that no long-lived assets were impaired at August 31, 2014 and 2013.

##### Bond Issuance Costs

Bond issuance costs are being amortized by the straight-line method over the repayment period of the related bonds, or the expected time until the next refinancing, whichever is shorter. Amortization expense recognized during 2014 and 2013 was \$9,638.

##### Revenue Recognition

Revenue generated from services provided to the public is reported at the estimated net realizable amounts from clients, third-party payors and others based upon approved rates as services are rendered. A significant portion of Easter Seals NH's revenues are derived through arrangements with third-party payors. As such, Easter Seals NH is dependent on these payors in order to carry out its operating activities. There is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in other fees and grants in the year that such amounts become known. Easter Seals NY recognized additional revenue of approximately \$7,654 in 2014 and \$1,046,000 in 2013 due to favorable rate adjustments approved by the State of New York.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 2. Summary of Significant Accounting Policies (Continued)

A third-party payor for three Easter Seals NY programs charged a facility tax assessment on a monthly basis in 2014 and 2013. The charges are a part of Easter Seals NY's reimbursement contract with the payor. The facility tax assessment is based on approved rates. As of August 31, 2014 and 2013, the facility tax assessment due was approximately \$136,000 and \$138,000, respectively, and is recorded in deferred revenue in the accompanying statements of financial position.

Revenues are recognized as earned, or attributable to the period in which specific terms of the funding agreement are satisfied, and to the extent that expenses have been incurred for the purposes specified by the funding source. Revenue balances in excess of the foregoing amounts are accounted for as deferred revenue until any restrictions are met or allowable expenditures are incurred.

The allowance for doubtful accounts is provided based on an analysis by management of the collectibility of outstanding balances. Management considers the age of outstanding balances and past collection efforts in determining the allowance for doubtful accounts. Accounts are charged against the allowance for doubtful accounts when deemed uncollectible. The bad debt provision in 2014 and 2013 totaled \$265,007 and \$774,569, respectively.

Unconditional contributions are recognized when pledged.

#### Advertising

Easter Seals NH's policy is to expense advertising costs as incurred.

#### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services based mainly on time records and estimates made by Easter Seals NH's management.

#### Charity Care (Unaudited)

Easter Seals NH has a formal charity care policy under which program fees are subsidized as determined by the Board of Directors. Free and subsidized services are rendered in accordance with decisions made by the Board of Directors and, at established charges, amounted to approximately \$6,802,000 and \$7,373,000 for the years ended August 31, 2014 and 2013, respectively.

#### Income Taxes

Easter Seals New Hampshire, Inc., Easter Seals NY, Easter Seals ME, Easter Seals VT, Easter Seals RI, Harbor Schools, Manchester Alcoholism Rehabilitation Center and Easter Seals CT are exempt from both federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and, for Easter Seals NY of the Not-for-Profit Corporation Law of the State of New York. Agency Realty, Inc. received a determination letter from the Internal Revenue Service stating that it qualifies for tax-exempt status under Section 501(c)(2) of the Internal Revenue Code.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 2. Summary of Significant Accounting Policies (Continued)

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position historically taken on various tax exposure items including unrelated business income or tax status. In accordance with accounting principles generally accepted in the United States of America, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the “more-likely-than-not” threshold, based upon the technical merits of the position.

Management has evaluated tax positions taken by Easter Seals New Hampshire, Inc. and its subsidiaries on their respective filed tax returns and concluded that the organizations have maintained their tax-exempt status, do not have any significant unrelated business income, and have taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements. Easter Seals New Hampshire, Inc. and its subsidiaries are no longer subject to income tax examinations by the federal or state tax authorities for years prior to 2011.

#### Use of Estimates

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

#### Derivatives and Hedging Activities

Accounting guidance requires that Easter Seals NH record as an asset or liability the fair value of the interest rate swap agreements described in note 8. Easter Seals NH is exposed to repayment loss equal to the net amounts receivable under the swap agreements (not the notional amount) in the event of nonperformance of the other party to the swap agreements. However, Easter Seals NH does not anticipate nonperformance and does not obtain collateral from the other party.

As of August 31, 2014 and 2013, Easter Seals NH had recognized a liability of \$3,329,813 and \$2,758,346, respectively, as a result of the interest rate swap agreements discussed in note 8. As a result of changes in the fair value of these derivative financial instruments, Easter Seals NH recognized an increase in net assets of \$571,467 (\$23,387 of which is included in deconsolidation of affiliate as an increase in net assets) for the year ending August 31, 2014, and an increase in net assets of \$2,377,632 for the year ending August 31, 2013 related to swap agreements.

#### Increase in Net Assets from Operations

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of services are reported as revenue and expenses that comprise the increase (decrease) in net assets from operations. The primary transactions reported as other nonoperating expenses, gains and losses include the adjustment to fair value of interest rate swaps, the increase in the fair value of beneficial interest in trusts held by others, gains and losses on sales and disposals of property, plant and equipment, and net realized and unrealized gains on investments.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 2. Summary of Significant Accounting Policies (Continued)

##### Reclassifications

Certain amounts in the 2013 consolidated financial statements have been reclassified to conform to the 2014 presentation.

##### Subsequent Events

Events occurring after the statement of financial position date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. Management has evaluated events occurring between the end of Easter Seals NH's fiscal year end and December 5, 2014, the date these consolidated financial statements were available to be issued.

#### 3. Classification of Net Assets

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), net assets are classified and reported based on the existence or absence of donor-imposed restrictions. Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use by Easter Seals NH has been limited by donors to a specific time period or purpose. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. Permanently restricted net assets have been restricted by donors to be maintained by Easter Seals NH in perpetuity, the income from which is expendable to support all activities of the organization, or as stipulated by the donor.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

In accordance with UPMIFA, Easter Seals NH considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

3. Classification of Net Assets (Continued)

Endowment Net Asset Composition by Type of Fund

The major categories of endowment funds at August 31, 2014 and 2013 are as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>2014</u>			
Camping program	\$ 3,072	\$ 364,869	\$ 367,941
Other programs	33,332	353,019	386,351
Operations	<u>—</u>	<u>3,613,207</u>	<u>3,613,207</u>
Total endowment net assets	<u>\$36,404</u>	<u>\$4,331,095</u>	<u>\$4,367,499</u>
<u>2013</u>			
Camping program	\$ 1,918	\$ 363,869	\$ 365,787
Other programs	18,913	340,203	359,116
Operations	<u>—</u>	<u>3,613,207</u>	<u>3,613,207</u>
Total endowment net assets	<u>\$20,831</u>	<u>\$4,317,279</u>	<u>\$4,338,110</u>

Changes in Endowment Net Assets

During the years ended August 31, 2014 and 2013, Easter Seals NH had the following endowment-related activities:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net endowment assets, August 31, 2012	\$ 16,043	\$4,303,631	\$4,319,674
Investment return:			
Investment income, net of fees	18,777	—	18,777
Net appreciation (realized and unrealized)	563,208	—	563,208
Contributions	—	13,648	13,648
Appropriated for expenditure	<u>(577,197)</u>	<u>—</u>	<u>(577,197)</u>
Net endowment assets, August 31, 2013	20,831	4,317,279	4,338,110
Investment return:			
Investment income, net of fees	22,617	—	22,617
Net appreciation (realized and unrealized)	970,963	—	970,963
Contributions	—	13,816	13,816
Appropriated for expenditure	<u>(978,007)</u>	<u>—</u>	<u>(978,007)</u>
Net endowment assets, August 31, 2014	<u>\$ 36,404</u>	<u>\$4,331,095</u>	<u>\$4,367,499</u>

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2014 and 2013

**3. Classification of Net Assets (Continued)**

In addition to endowment net assets, Easter Seals NH also maintains non-endowed funds. The major categories of non-endowment funds, at August 31, 2014 and 2013 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted (See Note 11)</u>	<u>Total Non- Endowment Net Assets</u>
<b>2014</b>				
Seniors program	\$ —	\$ 23,866	\$ —	\$ 23,866
Veterans program	263,880	9,702	—	273,582
India initiative	104,600	668,198	—	772,798
Other programs	—	174,192	—	174,192
Operations	<u>13,820,857</u>	<u>32,500</u>	<u>693,427</u>	<u>14,546,784</u>
Total non-endowment net assets	<u>\$14,189,337</u>	<u>\$908,458</u>	<u>\$ 693,427</u>	<u>\$15,791,222</u>
<b>2013</b>				
Seniors program	\$ 88,902	\$ 11,729	\$ —	\$ 100,631
Veterans program	—	517,035	—	517,035
India initiative	—	57,881	—	57,881
Other programs	—	285,461	—	285,461
Operations	<u>14,678,806</u>	<u>32,500</u>	<u>5,837,727</u>	<u>20,549,033</u>
Total non-endowment net assets	<u>\$14,767,708</u>	<u>\$904,606</u>	<u>\$5,837,727</u>	<u>\$21,510,041</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Easter Seals NH to retain as a fund of permanent duration. Deficiencies of this nature are reported in unrestricted net assets. There were no deficiencies between the fair value of the investments of the endowment funds and the level required by donor stipulation at August 31, 2014 or 2013.

**Investment and Spending Policies**

Easter Seals NH has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Easter Seals NH must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of an appropriate market index while assuming a moderate level of investment risk. Easter Seals NH expects its endowment funds to provide an average rate of return over a five year period equal to the rate of 2% over the inflation rate. Actual returns in any given year may vary from this amount.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

3. Classification of Net Assets (Continued)

To satisfy its long-term rate-of-return objectives, Easter Seals NH relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Easter Seals NH targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Easter Seals NH may appropriate for distribution some or all of the earnings and appreciation on its endowment for funding of operations. In establishing this policy, Easter Seals NH considered the objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to, so long as it would not detract from Easter Seals NH's critical goals and initiatives, provide additional real growth through new gifts and investment return.

4. Leases

Easter Seals NH leases certain assets under various arrangements which have been classified as operating leases. Total expense under all leases (including month-to-month leases) was approximately \$2,420,000 and \$2,168,000 for the years ended August 31, 2014 and 2013, respectively. Some of these leases have terms which include renewal options, and others may be terminated at Easter Seals NH's option without substantial penalty. Future minimum payments required under the leases in effect at August 31, 2014, through the remaining contractual term of the underlying lease agreements, are as follows:

Year Ended August 31:

2015	\$2,018,870
2016	1,486,328
2017	1,044,716
2018	385,129
2019	221,698
Thereafter	31,240

Easter Seals NY leases certain facilities for school operations from unrelated parties at lease terms that are either below fair market value, or that are almost entirely rent-free. Under accounting principles generally accepted in the United States of America, lease agreements must be evaluated based upon their economic substance rather than legal form, and a lease subsidy would be recorded as both contribution and rental expense. However, Easter Seals NH has determined that such amounts would not be material to the accompanying consolidated financial statements.

Easter Seals NY subleases certain office space located at 11 West 42<sup>nd</sup> Street in New York to an unrelated party. The sublease agreement expires in February 2014. Total rental income earned under this sublease agreement for the years ended August 31, 2014 and 2013 was approximately \$65,000 and \$144,000, respectively.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**5. Fixed Assets**

Fixed assets consist of the following at August 31:

	<u>2014</u>	<u>2013</u>
Buildings	\$ 27,225,674	\$ 33,015,085
Land and land improvements	2,696,051	3,494,009
Leasehold improvements	997,631	952,100
Office equipment and furniture	9,679,631	9,917,122
Vehicles	3,250,383	3,225,015
Construction in progress	<u>296,043</u>	<u>216,678</u>
	44,145,413	50,820,009
Less accumulated depreciation and amortization	<u>(19,051,030)</u>	<u>(22,753,125)</u>
	<u>\$ 25,094,383</u>	<u>\$ 28,066,884</u>

Depreciation and amortization expense related to fixed assets totaled \$1,728,935 and \$1,765,075 in 2014 and 2013, respectively. Depreciation and amortization of fixed assets included within discontinued operations in 2014 and 2013 totaled \$64,351 and \$218,670, respectively.

During 2012, Easter Seals NH received a donated building with an estimated fair value of approximately \$1,100,000. Under the terms of the donation, for a period of six years, Easter Seals NH must continue to use the building as a child care center. Should Easter Seals NH cease to operate the program, or wish to sell or donate the property, Easter Seals NH must first provide the donor with the opportunity to purchase the property for \$1. The contribution representing the fair value of the building has been recorded as deferred revenue at August 31, 2014 and 2013.

**6. Investments and Assets Limited as to Use**

Investments and assets limited as to use, at fair value, are as follows at August 31:

	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 523,616	\$ 3,513,266
Certificates of deposit	-	554,282
Marketable equity securities	1,883,153	2,770,110
Mutual funds	11,634,793	10,992,033
Corporate and foreign bonds	711,063	903,497
Government and agency securities	<u>366,744</u>	<u>631,627</u>
	15,119,369	19,364,815
Less: assets limited as to use	<u>(1,286,323)</u>	<u>(5,100,474)</u>
Total investments, at fair value	<u>\$13,833,046</u>	<u>\$14,264,341</u>

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2014 and 2013

**6. Investments and Assets Limited as to Use (Continued)**

The composition of assets limited as to use at August 31, 2014 and 2013 is set forth in the table shown below at fair value. The portion of assets limited as to use that is required for obligations classified as current liabilities is reported in current assets.

	<u>2014</u>	<u>2013</u>
Under an agreement with the State of Connecticut, which provides that the funds be utilized for certain allowable program expenditures:		
Cash and cash equivalents	\$ —	\$2,310,566
Certificates of deposit	—	554,282
Mutual funds	—	428,148
Marketable equity securities	<u>—</u>	<u>151,573</u>
	—	3,444,569
Under a deferred compensation plan (see note 7):		
Investments	986,277	1,367,127
Maintained in escrow to make required payments on certain bonds (see note 8):		
Cash and cash equivalents	<u>300,046</u>	<u>288,778</u>
Total assets limited as to use	<u>\$1,286,323</u>	<u>\$5,100,474</u>

The principal components of investment income and net realized and unrealized gains included in continuing operations and other nonoperating expenses, gains and losses are summarized below.

	<u>2014</u>	<u>2013</u>
Unrestricted investment income and unrealized and realized gains on investments:		
Dividend and interest income	\$ 742,337	\$ 681,151
Net unrealized gains	668,363	231,743
Net realized gains	<u>828,601</u>	<u>557,753</u>
	2,239,301	1,470,647
Restricted investment income and unrealized and realized gains on investments:		
Dividend and interest income	3,613	1,141
Net unrealized gains	20,109	7,631
Net realized gains	<u>17,877</u>	<u>16,542</u>
	<u>41,599</u>	<u>25,314</u>
	<u>\$2,280,900</u>	<u>\$1,495,961</u>

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**7. Retirement Plans**

Easter Seals NH maintains a Section 403(b) Plan (a defined contribution retirement plan), which covers substantially all employees. Eligible employees may contribute any whole percentage of their annual salary. Employee contributions may be matched by Easter Seals NH as determined in the annual budget. The combined amount of employer and employee contributions is subject by law to annual maximum amounts. The employer match was approximately \$673,000 and \$474,000 for the years ended August 31, 2014 and 2013, respectively.

Easter Seals New Hampshire, Inc. offers, to certain management personnel, the option to participate in an Internal Revenue Code Section 457 Deferred Compensation Plan to which the organization may make a discretionary contribution. The employees' accounts are not available until termination, retirement, death or an unforeseeable emergency. Easter Seals New Hampshire, Inc. contributed approximately \$128,000 and \$130,000 to this plan during the years ended August 31, 2014 and 2013, respectively. The assets and liabilities associated with this plan were \$986,277 and \$1,367,127 at August 31, 2014 and 2013, respectively, and are included within assets limited as to use and other liabilities in the accompanying consolidated statements of financial position.

**8. Borrowings**

Borrowings consist of the following at August 31:

	<u>2014</u>	<u>2013</u>
Revenue Bonds, Series 2004A, tax exempt, issued through the New Hampshire Health and Education Facilities Authority (NHHEFA), with a variable rate determined through weekly remarketing (0.06% at August 31, 2014) through December 2034, annual principal payments continually increasing from \$400,000 to \$1,060,000 with a final payment of \$1,060,000 due December 2034, secured by a pledge of all gross receipts of Easter Seals NH and certain letters of credit (see below)	\$14,275,000	\$14,660,000
Revenue Bonds, Series 2010, issued through the Monroe County Industrial Development Corporation, interest only payments due through December 2011, after which monthly principal and interest payments ranging from \$10,050 to \$21,980 are required through the maturity date of December 31, 2040. Interest is payable monthly at a rate equal to 68% of the sum of the monthly LIBOR rate plus 2.65% (1.91% at August 31, 2014)	4,929,360	5,052,360
Mortgage payable to a bank with a variable rate of LIBOR plus 2.65%, principal of \$9,500 plus interest payable monthly, with a final payment of \$2,299,000 due March 2015, secured by all business assets and property of Easter Seals CT, excluding certain assets limited as to use (see deconsolidation of affiliate – note 12).	–	2,470,000

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

8. **Borrowings (Continued)**

	<u>2014</u>	<u>2013</u>
Non-revolving note payable to a bank with a total availability of \$3,500,000 with a variable rate of LIBOR plus 4.07% (4.23% at August 31, 2014), interest only payments through June 2014, after which monthly principal and interest payments are required through the maturity in June 2015, secured by an interest in certain property with a net book value of \$3,888,720 at August 31, 2014	\$ 3,482,580	\$ 3,500,000
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$985 payable monthly through April 2018, secured by vehicles	41,386	52,008
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$525 payable monthly through September 2018, secured by vehicles	24,449	-
Note payable to a bank with a fixed rate of 3.66%, principal and interest of \$3,177 payable monthly, due August 2015, secured by vehicles	37,353	73,357
Unsecured note payable to an individual with a fixed rate of 5.25%, principal and interest of \$10,311 payable monthly, due April 2016	197,002	307,232
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$2,923 payable monthly through September 2018, secured by vehicles	136,074	-
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$546 payable monthly through January 2019, secured by vehicles	27,394	-
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$195 payable monthly through March 2019, secured by vehicles	10,137	-
Note payable to a bank with a fixed rate of 2.24%, principal and interest of \$608 payable monthly through July 2019, secured by vehicles	33,925	-
Note payable to a bank with a fixed rate of 2.24%, principal and interest of \$166 payable monthly through August 2019, secured by vehicles	<u>9,979</u>	<u>-</u>
	23,204,639	26,114,957
Less current portion	<u>4,228,339</u>	<u>796,290</u>
	<u>\$18,976,300</u>	<u>\$25,318,667</u>

Principal payments on long-term debt for each of the following years ending August 31 are as follows:

2015	\$ 4,228,339
2016	698,294
2017	642,760
2018	669,263
2019	643,064
Thereafter	<u>16,322,919</u>
	<u>\$23,204,639</u>

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 8. Borrowings (Continued)

##### *Lines of Credit and Other Financing Arrangements*

Easter Seals New Hampshire, Inc. had an agreement with a bank for a \$500,000 nonrevolving equipment line of credit. The line of credit was used to fund the purchase of New Hampshire titled vehicles for use by Easter Seals NH through April 2, 2014. The interest rate charged on outstanding borrowings was at a fixed rate at the then prime rate minus 0.75% for maturities up to a five-year term. Upon maturity of this agreement, the balances outstanding under the note payable at August 31, 2014 and 2013 were converted to various term notes secured by vehicles, as described above.

Easter Seals New Hampshire, Inc. also has an agreement with a bank for a \$500,000 revolving equipment line, which can be used to fund the purchase of New Hampshire titled vehicles for use by Easter Seals NH through June 2017. Advances are converted to term notes as utilized. The interest rate charged on outstanding borrowings is at a fixed rate equal to the then Business Vehicle Rate at the time of the advance for maturities up to a five year term. Included in long-term debt are two notes payable of \$33,925 and \$9,979 at August 31, 2014 that originated under this agreement. Availability under this agreement at August 31, 2014 is approximately \$456,000.

Easter Seals New Hampshire, Inc. (the sole member of Easter Seals NY and Harbor Schools), Easter Seals NY and Harbor Schools have a revolving line of credit with a bank, with available borrowings up to \$7 million (a portion of which is secured by available letters of credit of \$59,000). Outstanding advances are due on demand. The revolving line of credit has the following sub-limits which were last amended in May 2013: Easter Seals NH \$3.725 million, Easter Seals NY \$3 million and Harbor Schools \$275,000. The interest rate charged on outstanding borrowings is at LIBOR plus 2.25% (2.41% at August 31, 2014). Under an event of default, the interest rate will increase from LIBOR plus 2.25% to LIBOR plus 5.25%. The line is secured by a first priority interest in all business assets of Easter Seals New Hampshire, Inc., Easter Seals NY and Harbor Schools. The agreement requires that collective borrowings under the line of credit be reduced to \$3,500,000 for 30 consecutive days during each calendar year. The agreement also limits each borrower's ability to incur additional indebtedness in excess of \$500,000. Amounts outstanding under this revolving line of credit agreement at August 31, 2014 and 2013 were \$262,356 and \$262,356, respectively, related to Harbor Schools, \$1,935,548 and \$1,599,505, respectively, related to Easter Seals NY and \$0 and \$1,425,875, respectively, related to Easter Seals NH.

Easter Seals CT had a demand revolving line of credit with a bank with available borrowings up to \$1 million. The interest rate charged on outstanding borrowings was at LIBOR plus 2.25%. The line was secured by all business assets and property of Easter Seals CT, except for certain assets limited as to use (\$3,444,569 carrying value as of August 31, 2013). Additionally, this line was guaranteed by Easter Seals NH. The agreement also limited Easter Seals CT's ability to incur additional indebtedness in excess of \$1,000,000 related to real estate, and was cross collateralized with all Easter Seals NH borrowings at this bank. Amounts outstanding under this revolving line of credit agreement at August 31, 2013 were \$924,658 (see deconsolidation of affiliate – note 12).

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 8. Borrowings (Continued)

##### NHHEFA 2004A Revenue Bonds

In connection with the NHHEFA 2004A Revenue Bonds, Easter Seals NH is required to make deposits of interest and principal of sufficient amounts to make the required interest payments and to retire the bonds when due. The 2004A Revenue Bonds require that Easter Seals NH maintain certain reserve funds with a trustee for current required principal and interest payments. Such amounts, which are included within assets limited as to use, totaled \$300,046 and \$288,778 at August 31, 2014 and 2013, respectively. This agreement also requires bank approval prior to Easter Seals NH incurring additional indebtedness. Easter Seals NH has two letters of credit securing the bonds for \$14,450,993 each (expiring and subject to renewal on March 15, 2015, and mainly to support future principal and interest repayments due under the 2004A Revenue Bonds). Easter Seals NH is required to replace or renew the two \$14,450,993 letters of credit upon their expiration or the related bonds may be subject to early redemption. Easter Seals NH pays an annual fee for the two letters of credit relating to the 2004A NHHEFA Revenue Bonds. Fees incurred on these letters of credit totaled approximately \$183,000 and \$157,000 in 2014 and 2013, respectively.

##### Series 2010 Revenue Bonds

On December 1, 2010, Easter Seals NY, in connection with the Monroe County Industrial Development Corporation and RBS Citizens, issued \$5,250,000 in Series 2010 tax-exempt Revenue Bonds (the Series 2010 Bonds). The Series 2010 Bonds were used to finance the acquisition of certain property located in Irondequoit, New York, provide for improvements to a school building and an existing rehabilitation facility, and construct two residential rehabilitation facilities. Additionally, proceeds were used to refinance certain Easter Seals NY outstanding debt.

The Series 2010 Bonds are secured by a mortgage on all properties and improvements financed by the bonds, and are guaranteed by Easter Seals NH. Easter Seals NY may elect to prepay some portion or all of the outstanding bonds subject to a prepayment fee, as defined. This agreement also requires bank approval prior to Easter Seals NY incurring additional indebtedness. The Series 2010 Bonds are subject to tender for mandatory purchase at the election of the bondholder beginning June 1, 2016, and thereafter every five years through June 1, 2036.

##### Interest Rate Swap Agreements

Easter Seals NH has an interest rate swap agreement with a bank in connection with the Series 2004A Revenue Bonds. The swap agreement has an outstanding notional amount of \$14,275,000 and \$14,660,000 at August 31, 2014 and 2013, respectively, which reduces, in conjunction with bond principal reductions, until the agreement terminates in December 2034. Easter Seals NH remits interest at the fixed rate of 3.54% and receives interest at a variable rate (0.06% at August 31, 2014).

On February 23, 2011, Easter Seals NY entered into an interest rate swap agreement with a bank in connection with the Series 2010 Revenue Bonds. The swap agreement had an outstanding notional amount of \$4,929,360 and \$5,052,360 at August 31, 2014 and 2013, respectively, which reduces, in conjunction with bond principal reductions, until the agreement terminates in January 2031. Easter Seals NY remits interest at a fixed rate of 2.99% and receives interest at a variable rate (68% of monthly LIBOR).

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 8. Borrowings (Continued)

On December 27, 2010, Easter Seals CT entered into an interest rate swap agreement in connection with an outstanding mortgage payable of \$2,470,000 at August 31, 2013. The original notional amount of \$1,800,000 reduces ratably in conjunction with repayment of the note payable. The swap agreement effectively changed the variable rate to a fixed rate of 2.72% for the notional amounts outstanding, which is approximately 65% of the related mortgage payable (see deconsolidation of affiliate – note 12).

The fair value of the above interest rate swap agreements totaled \$3,329,813 and \$2,758,346 at August 31, 2014 and 2013, respectively, \$615,570 and \$708,132 of which was current at August 31, 2014 and 2013, respectively. During the years ended August 31, 2014 and 2013 net payments required by the agreements totaled \$674,448 and \$692,269, respectively. These payments have been included in interest expense within the accompanying consolidated statements of activities and changes in net assets. See note 11 with respect to fair value determinations.

#### Debt Covenants

In connection with the bonds, lines of credit and various other notes payable described above, Easter Seals NH is required to comply with certain financial covenants including, but not limited to, minimum liquidity and debt service coverage ratios. At August 31, 2014, Easter Seals NH was in compliance with restrictive covenants specified under the NHHEFA bonds, Series 2010 Bonds, and other debt obligations.

#### 9. Donated Services

A number of volunteers have donated their time in connection with Easter Seals NH's program services and fundraising campaigns. However, no amounts have been reflected in the accompanying consolidated financial statements for such donated services, as no objective basis is available to measure the value.

#### 10. Related Party Transactions

Approximately 13% of other fees and grants revenue is derived from a pass-through grant from Easter Seals, Inc. for both years ended August 31, 2014 and 2013. Easter Seals NH is a member of Easter Seals, Inc. As of August 31, 2014 and 2013, Easter Seals NH had a receivable of \$334,352 and \$247,471, respectively, from Easter Seals, Inc. related to amounts due under this grant. Easter Seals NH also has an amount due from Easter Seals CT of \$7,301 at August 31, 2014 (see also note 12). Membership fees to Easter Seals, Inc. were \$122,586 and \$121,780 for the years ended August 31, 2014 and 2013, respectively and are reflected as support of National programs on the accompanying consolidated statements of activity and changes in net assets.

## EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

#### 11. Fair Value of Financial Instruments

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at their measurement date. In determining fair value, Easter Seals NH uses various methods including market, income and cost approaches, and utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in factors used in the valuation. These factors may be readily observable, market corroborated, or generally unobservable. Easter Seals NH utilizes valuation techniques that maximize the use of observable factors and minimizes the use of unobservable factors.

Certain of Easter Seals NH's financial instruments are reported at fair value, which include beneficial interest held in trusts, investments and the interest rate swaps, and are classified by levels that rank the quality and reliability of the information used to determine fair value:

Level 1 – Valuations for financial instruments traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical instruments.

Level 2 – Valuations for financial instruments traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar instruments.

Level 3 – Valuations for financial instruments derived from other methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining fair value.

The following describes the valuation methodologies used to measure financial assets and liabilities at fair value. The levels relate to valuation only and do not necessarily indicate a measure of investment risk. There have been no changes in the methodologies used by Easter Seals NH at August 31, 2014 and 2013.

#### Investments and Assets Limited as to Use

Cash and cash equivalents are deemed to be Level 1. The fair values of marketable equity securities, money market and mutual funds and government and agency securities that are based upon quoted prices in active markets for identical assets are reflected as Level 1. Investments in certain other mutual funds and corporate and foreign bonds where securities are transparent and generally are based upon quoted prices in active markets are valued by the investment managers and reflected as Level 2. Investments in certificates of deposit are at cost plus accrued interest, which is estimated to approximate fair value and are included in Level 2.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**11. Fair Value of Financial Instruments (Continued)**

*Beneficial Interest in Trusts Held by Others*

The beneficial interest in trusts held by others has been assigned fair value levels based on the fair value levels of the underlying investments within the trusts. The fair values of marketable equity securities, money market and mutual funds, government and agency securities and other asset funds are based upon quoted prices in active markets for identical assets and are reflected as Level 1. Investments in marketable equity securities, mutual funds and corporate and foreign bonds where securities are transparent and generally are based upon quoted prices in active markets are valued by the investment managers and reflected as Level 2. Investments in alternative and other asset funds are derived from other methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions, and are reflected as Level 3. Level 3 valuations incorporate certain assumptions and projections in determining fair value.

*Interest Rate Swap Agreements*

The fair value for the interest rate swap liabilities is included in Level 3 and is estimated by the counterparty using industry standard valuation models. These models project future cash flows and discount the future amounts to present value using market-based observable inputs, including interest rates.

At August 31, 2014 and 2013, Easter Seals NH's assets and liabilities measured at fair value on a recurring basis were classified as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2014</u>				
Assets:				
Assets limited as to use and investments at fair value:				
Cash and cash equivalents	\$ 523,616	\$ -	\$ -	\$ 523,616
Marketable equity securities:				
Large-cap	1,238,248	-	-	1,238,248
International	644,905	-	-	644,905
Mutual funds, open-ended:				
Short-term fixed income	3,562,348	-	-	3,562,348
Intermediate-term bond fund	824,376	-	-	824,376
High yield bond fund	264,363	-	-	264,363
Foreign bond	14,168	-	-	14,168
Government securities	752,030	-	-	752,030
International equities	784,490	-	-	784,490
Domestic, large-cap	1,500,128	-	-	1,500,128
Domestic, mid-cap	147,920	-	-	147,920
Domestic, small-cap	3,480	-	-	3,480
Domestic, Multi Alt	112,233	-	-	112,233
Real estate fund	128,303	-	-	128,303

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**11. Fair Value of Financial Instruments (Continued)**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds, closed-ended:				
Domestic, large-cap	\$ 2,510,846	\$ —	\$ —	\$ 2,510,846
Domestic, mid-cap	508,556	—	—	508,556
Domestic, small-cap	193,682	—	—	193,682
International equity	326,879	—	—	326,879
Commodity	991	—	—	991
Corporate and foreign bonds	—	711,063	—	711,063
Government and agency securities	<u>366,744</u>	<u>—</u>	<u>—</u>	<u>366,744</u>
	<u>\$14,408,306</u>	<u>\$ 711,063</u>	<u>\$ —</u>	<u>\$15,119,369</u>
Beneficial interest in trust held by others:				
Money market funds	\$ 16,172	\$ —	\$ —	\$ 16,172
Marketable equity securities:				
Large-cap	225,799	57,705	—	283,504
Small-cap	—	33,685	—	33,685
International	—	72,307	—	72,307
Emerging markets	46,695	—	—	46,695
Mutual funds:				
Domestic fixed income	—	133,076	—	133,076
International fixed income	30,821	—	—	30,821
Commodity	42,050	—	—	42,050
Real estate investment trust	<u>35,117</u>	<u>—</u>	<u>—</u>	<u>35,117</u>
	<u>\$ 396,654</u>	<u>\$ 296,773</u>	<u>\$ —</u>	<u>\$ 693,427</u>
Liabilities:				
Interest rate swap agreements	<u>\$ —</u>	<u>\$ —</u>	<u>\$3,329,813</u>	<u>\$ 3,329,813</u>

2013

Assets:

Assets limited as to use and investments at fair value:

Cash and cash equivalents	\$ 3,513,266	\$ —	\$ —	\$ 3,513,266
Certificates of deposit	—	554,282	—	554,282
Marketable equity securities:				
Large-cap	2,550,313	—	—	2,550,313
International	219,797	—	—	219,797
Mutual funds, open-ended:				
Short-term fixed income	3,304,368	—	—	3,304,368
Intermediate-term bond fund	543,938	—	—	543,938
High yield bond fund	274,582	—	—	274,582
Foreign bond	210,342	—	—	210,342
Government securities	511,971	—	—	511,971
International equities	693,837	—	—	693,837

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

11. Fair Value of Financial Instruments (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Domestic, large-cap	\$ 816,851	\$ —	\$ —	\$ 816,851
Domestic, mid-cap	369,532	—	—	369,532
Domestic, small-cap	237,828	—	—	237,828
Real estate fund	3,868	—	—	3,868
Mutual funds, closed-ended:				
Fixed income and bond	427,663	—	—	427,663
Domestic, large-cap	2,002,955	—	—	2,002,955
Domestic, mid-cap	493,556	—	—	493,556
Domestic, small-cap	913,054	—	—	913,054
International equity	173,305	—	—	173,305
Commodity	14,383	—	—	14,383
Corporate and foreign bonds	—	903,497	—	903,497
Government and agency securities	<u>631,627</u>	<u>—</u>	<u>—</u>	<u>631,627</u>
	<u>\$17,907,036</u>	<u>\$1,457,779</u>	<u>\$ —</u>	<u>\$19,364,815</u>
Beneficial interest in trust held by others:				
Money market funds	\$ 4,555	\$ —	\$ —	\$ 4,555
Marketable equity securities:				
Large-cap	2,544,889	148,594	—	2,693,483
Mid-cap	809,286	45,600	—	854,886
Small-cap	—	33,110	—	33,110
International	319,796	40,369	—	360,165
Emerging markets	118,842	—	—	118,842
Corporate bonds	—	709,131	—	709,131
Foreign bonds	—	6,029	—	6,029
Mutual funds:				
Domestic fixed income	—	654,361	—	654,361
International equity	34,664	—	—	34,664
International fixed income	19,931	—	—	19,931
Domestic large-cap equity	67,476	—	—	67,476
Domestic mid-cap equity	16,984	—	—	16,984
Domestic small-cap equity	20,565	—	—	20,565
Commodity	5,465	—	—	5,465
Government and agency securities	20,202	—	—	20,202
Real estate investment trust	95,123	—	—	95,123
Alternative and structured asset funds	<u>33,921</u>	<u>—</u>	<u>88,834</u>	<u>122,755</u>
	<u>\$ 4,111,699</u>	<u>\$1,637,194</u>	<u>\$ 88,834</u>	<u>\$ 5,837,727</u>
Liabilities:				
Interest rate swap agreements	<u>\$ —</u>	<u>\$ —</u>	<u>\$2,758,346</u>	<u>\$ 2,758,346</u>

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**11. Fair Value of Financial Instruments (Continued)**

The table below sets forth a summary of changes in the fair value of Easter Seals NH's Level 3 assets and liabilities for the years ended August 31, 2014 and 2013:

	<u>Interest Rate Swaps</u>	<u>Alternative and Other Asset Funds</u>
Beginning balance, August 31, 2012	\$(5,135,978)	\$ 78,614
Unrealized gains, net	<u>2,377,632</u>	<u>10,220</u>
Ending balance, August 31, 2013	(2,758,346)	88,834
Unrealized loss, net	(594,854)	--
Deconsolidation of affiliate -- see note 12	<u>23,387</u>	<u>(88,834)</u>
Ending balance, August 31, 2014	<u>\$(3,329,813)</u>	<u>\$ --</u>

Excluding the impact of the deconsolidation of an affiliate (see note 12), the net amounts of unrealized gains (losses) for the period attributable to the change in unrealized gains (losses) relating to the interest rate swaps still held at August 31, 2014 and 2013 were \$(594,854) and \$2,377,632, respectively. The amount of unrealized gains for the period attributable to the change in unrealized gains relating to the Level 3 investments still held at August 31, 2014 and 2013 were \$0 and \$10,220, respectively.

Easter Seals NH's other financial instruments, including cash and cash equivalents, accounts receivable from affiliates, program and other accounts receivable, contributions receivable, accounts payable, lines of credit, and long-term debt, have fair values approximating their carrying values because of the short-term nature of the financial instruments or because interest rates approximate current market rates.

**12. Deconsolidation of Related Entity**

On July 31, 2014, Easter Seals NH entered into an agreement with The Connecticut Institute for the Blind, Inc. d/b/a Oak Hill (Oak Hill), an unrelated entity, whereby Easter Seals NH agreed to transfer its sole member interest in Easter Seals CT to Oak Hill for no consideration. Accordingly, all of the assets, liabilities and net assets of Easter Seals CT were transferred to Oak Hill effective July 31, 2014. Easter Seals NH was concurrently released from all guarantees and other obligations related to Easter Seals CT. Easter Seals NH recognized a decrease in net assets of \$5,841,079 as a result of the deconsolidation of Easter Seals CT. The accompanying 2014 consolidated financial statements include the operating results of Easter Seals CT for the period from September 1, 2013 through July 31, 2014 and the year ended August 31, 2013.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2014 and 2013

**12. Deconsolidation of Related Entity (Continued)**

Summary statements of financial position and activities of Easter Seals CT for the period ended July 31, 2014 and year ended August 31, 2013 follow:

	July 31, 2014 <u>(Unaudited)</u>	August 31, 2013 <u>                  </u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 21,440	\$ 270,732
Program and other accounts receivable, net	18,572	283,994
Assets limited as to use	3,548,526	3,444,569
Investments, at fair value	256,832	1,699,874
Beneficial interest in trust held by others	5,719,267	5,207,585
Fixed assets	1,879,966	1,919,988
Other assets	<u>24,828</u>	<u>108,708</u>
Total assets	11,469,431	12,935,450
<b>Liabilities and net assets:</b>		
Line of credit	-	(924,658)
Deferred revenue	(3,138,717)	(3,456,204)
Long-term debt	(2,365,500)	(2,470,000)
Other liabilities	<u>(124,135)</u>	<u>(731,465)</u>
Total liabilities	<u>(5,628,352)</u>	<u>(7,582,327)</u>
Total net assets	<u>\$ 5,841,079</u>	<u>\$ 5,353,123</u>

	11-Month Period Ended <u>July 31, 2014</u>	Year Ended <u>August 31, 2013</u>
Total public support and revenue	\$1,027,556	\$ 1,298,832
Total operating expenses	(856,861)	(1,048,542)
Other nonoperating expenses, gains and losses	<u>778,724</u>	<u>361,524</u>
Increase in net assets before discontinued operations	<u>\$ 949,419</u>	<u>\$ 611,814</u>

Losses from discontinued operations within Easter Seals CT for the eleven month period ended July 31, 2014 and year ended August 31, 2103 were \$454,230 and \$657,561, respectively.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

**13. Discontinued Operations**

The accompanying consolidated financial statements include various programs and entities that are reported as discontinued operations, as follows:

- On January 25, 2012, the Board of Directors of Easter Seals New Hampshire, Inc. voted to approve discontinuing the group home and special education programs in Rutland, Vermont.
- On January 25, 2012, the Board of Directors of Easter Seals NH voted to close Harbor Schools and cease all operations of this subsidiary.
- On March 22, 2013, the Board of Directors of Easter Seals NY voted to discontinue the Bronx Early Intervention program.
- On May 2, 2014 the Sayville program in NY was discontinued as a license was not able to be obtained.
- On July 1, 2013, the Center for Therapeutic Recreation program located in Portland, Maine was transferred to the City of Portland and at that same time Easter Seals ME discontinued offering those services. On October 17, 2013, the Maine Board of Directors voted to close the Maine Vocational programs.
- On September 25, 2013, the Board of Directors of Easter Seals CT voted to discontinue the camp programs and cease all operations effective November 16, 2013.
- On June 11, 2014, the Board of Directors of Easter Seals NH voted to discontinue the Pediatric Outpatient programs located in Manchester and Dover due to significant losses the programs were experiencing.

The management of Easter Seals NH has determined that the closure of each of these programs/entities met the criteria for classification as discontinued operations. The decisions to close the programs/entities were based on performance factors.

Summary statements of financial position for each of the above discontinued programs/entities as of August 31, 2014 and 2013 are as follows:

	<u>Vermont</u>		<u>Harbor Schools</u>		<u>New York</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total assets	\$ -	\$ -	\$878,144	\$ 872,744	\$ 32,929	\$51,896
Total liabilities	-	1,197	648,892	595,053	44,511	9,289
Net assets (deficit):						
Unrestricted	-	(1,197)	180,556	230,951	(11,582)	42,607
Temporarily restricted	-	-	24,870	22,914	-	-
Permanently restricted	-	-	23,826	23,826	-	-

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

13. Discontinued Operations (Continued)

	<u>Maine</u>		<u>Connecticut</u>		<u>New Hampshire</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total assets	\$ 825	\$ 1,888	\$ -	\$ 2,119,068	\$ 800,810	\$ -
Total liabilities	-	38	-	2,470,000	31,783	29,592
Net assets (deficit):						
Unrestricted	825	1,850	-	(350,932)	769,027	(29,592)

Summary statements of activities for each of the above discontinued programs/entities for the years ended August 31, 2014 and 2013 are as follows:

	<u>Vermont</u>		<u>Harbor Schools</u>		<u>New York</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total public support and revenue	\$ -	\$ -	\$ 22,127	\$ 12,907	\$ -	\$ 320,825
Operating expenses	-	(20,310)	(70,891)	(329,961)	(192,456)	(628,465)
Other nonoperating expense, gains or losses	-	-	830	(1,469)	-	-
Gain on sale of properties, net	-	-	-	291,788	-	-
Total decrease in net assets	\$ -	\$ (20,310)	\$ (47,934)	\$ (26,735)	\$ (192,456)	\$ (307,640)

	<u>Maine</u>		<u>Connecticut</u>		<u>New Hampshire</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total public support and revenue	\$ 4,667	\$ 210,588	\$ 57,166	\$ 774,143	\$ 1,276,909	\$ 1,996,997
Operating expenses	(42,262)	(324,009)	(511,596)	(1,431,704)	(2,018,853)	(1,970,004)
Gain (loss) on sale of properties, net	-	325	200	-	-	(15,563)
Total increase (decrease) in net assets	\$ (37,595)	\$ (113,096)	\$ (454,230)	\$ (657,561)	\$ (741,944)	\$ 11,430

During 2013 Easter Seals NH sold two properties related to the closure of certain programs, which resulted in net gains on the sales of property of \$276,550.

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

August 31, 2014 and 2013

**14. Concentrations**

Easter Seals NH maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed amounts guaranteed by the Federal Deposit Insurance Corporation. Financial instruments which subject Easter Seals to credit risk consist primarily of cash equivalents and investments. Easter Seals' investment portfolio consists of diversified investments, which are subject to market risk. Investments that exceeded 10% of investments include the "Lord Abbett Short Duration Income A Fund" as of August 31, 2014.

**OTHER FINANCIAL INFORMATION**

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

August 31, 2014

ASSETS

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Current assets:									
Cash and cash equivalents	\$ 1,887,115	\$ 600	\$ 10,132	\$ 500	\$ -	\$ -	\$ 858,787	\$ -	\$ 2,757,134
Accounts receivable from affiliates	6,110,436	911,119	-	-	-	-	334,353	(7,014,255)	341,653
Program and other accounts receivable, net	6,565,059	763,220	164,545	160,355	3,500	-	2,466,068	-	10,122,747
Contributions receivable, net	492,586	-	1,843	21,534	-	-	189,411	-	705,374
Current portion of assets limited as to use	300,046	-	-	-	-	-	-	-	300,046
Prepaid expenses and other current assets	<u>352,244</u>	<u>1,475</u>	<u>36,840</u>	<u>7,722</u>	<u>-</u>	<u>-</u>	<u>280,045</u>	<u>-</u>	<u>678,326</u>
Total current assets	15,707,486	1,676,414	213,360	190,111	3,500	-	4,128,664	(7,014,255)	14,905,280
Assets limited as to use, net of current portion	986,277	-	-	-	-	-	-	-	986,277
Fixed assets, net	19,655,095	31,222	24,514	22,222	-	-	5,361,330	-	25,094,383
Property held for sale	463,947	-	-	-	825,947	-	-	-	1,289,894
Bond issuance costs, net	62,218	-	-	-	-	-	172,895	-	235,113
Investments, at fair value	12,883,509	-	-	-	48,697	-	900,840	-	13,833,046
Beneficial interest in trusts held by others and other assets	<u>898,413</u>	<u>-</u>	<u>-</u>	<u>38,768</u>	<u>-</u>	<u>-</u>	<u>613,738</u>	<u>-</u>	<u>1,550,919</u>
	<u>\$50,656,945</u>	<u>\$1,707,636</u>	<u>\$ 237,874</u>	<u>\$ 251,101</u>	<u>\$ 878,144</u>	<u>\$ -</u>	<u>\$11,177,467</u>	<u>\$ (7,014,255)</u>	<u>\$57,894,912</u>

LIABILITIES AND NET ASSETS

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Current liabilities:									
Lines of credit	\$ -	\$ -	\$ -	\$ -	\$ 262,356	\$ -	\$ 1,935,548	\$ -	\$ 2,197,904
Accounts payable	1,431,692	12,425	940	3,898	-	-	458,788	-	1,907,743
Accrued expenses	3,267,969	15,892	34,088	8,220	7,696	-	917,617	-	4,251,482
Accounts payable to affiliates	3,023,524	-	2,562,288	99,631	352,590	-	976,222	(7,014,255)	-
Current portion of deferred revenue	523,300	12,557	5,000	83	26,250	-	291,068	-	858,258
Current portion of interest rate swap agreements	474,355	-	-	-	-	-	141,215	-	615,570
Current portion of long-term debt	4,064,386	-	-	-	-	-	163,953	-	4,228,339
Total current liabilities	12,785,226	40,874	2,602,316	111,832	648,892	-	4,884,411	(7,014,255)	14,059,296
Deferred revenue, net of current portion	999,167	-	-	-	-	-	-	-	999,167
Other liabilities	987,185	-	-	-	-	-	-	-	987,185
Interest rate swap agreements, less current portion	2,195,025	-	-	-	-	-	519,218	-	2,714,243
Long-term debt, less current portion	14,173,540	-	-	-	-	-	4,802,760	-	18,976,300
Total liabilities	31,140,143	40,874	2,602,316	111,832	648,892	-	10,206,389	(7,014,255)	37,736,191
Net assets (deficit):									
Unrestricted	14,428,086	1,666,763	(2,422,354)	100,501	180,556	-	235,785	-	14,189,337
Temporarily restricted	690,526	(1)	57,912	-	24,870	-	171,555	-	944,862
Permanently restricted	4,398,190	-	-	38,768	23,826	-	563,738	-	5,024,522
Total net assets (deficit)	19,516,802	1,666,762	(2,364,442)	139,269	229,252	-	971,078	-	20,158,721
	\$50,656,945	\$1,707,636	\$ 237,874	\$ 251,101	\$ 878,144	\$ -	\$11,177,467	\$ (7,014,255)	\$57,894,912

\* Includes Agency Realty, Inc., Webster Place, Inc. and Manchester Alcoholism Rehabilitation Center

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

August 31, 2013

ASSETS

	<u>* New Hampshire</u>	<u>Vermont</u>	<u>Maine</u>	<u>Rhode Island</u>	<u>Harbor Schools, Inc.</u>	<u>Connecticut</u>	<u>New York</u>	<u>Elimi- nations</u>	<u>Total</u>
Current assets:									
Cash and cash equivalents	\$ 1,884,939	\$ 500	\$ 300	\$ 500	\$ -	\$ 270,732	\$ 885,650	\$ -	\$ 3,042,621
Accounts receivable from affiliates	8,588,060	983,077	-	-	-	-	247,471	(9,571,137)	247,471
Program and other accounts receivable, net	6,375,827	627,330	541,354	160,914	3,500	283,994	3,231,789	-	11,224,708
Contributions receivable, net	343,482	-	1,725	20,175	-	28,350	292,378	-	686,110
Current portion of assets limited as to use	288,778	-	-	-	-	253,183	-	-	541,961
Prepaid expenses and other current assets	<u>426,695</u>	<u>4,950</u>	<u>37,302</u>	<u>9,276</u>	<u>-</u>	<u>80,358</u>	<u>225,263</u>	<u>-</u>	<u>783,844</u>
Total current assets	17,907,781	1,615,857	580,681	190,865	3,500	916,617	4,882,551	(9,571,137)	16,526,715
Assets limited as to use, net of current portion	1,367,127	-	-	-	-	3,191,386	-	-	4,558,513
Fixed assets, net	20,574,542	1,994	29,777	20,130	-	1,919,988	5,520,453	-	28,066,884
Property held for sale	-	-	-	-	822,504	-	-	-	822,504
Bond issuance costs, net	65,290	-	-	-	-	-	179,461	-	244,751
Investments, at fair value	11,646,528	-	-	-	46,740	1,699,874	871,199	-	14,264,341
Beneficial interest in trusts held by others and other assets	<u>969,247</u>	<u>-</u>	<u>-</u>	<u>35,917</u>	<u>-</u>	<u>5,207,585</u>	<u>618,051</u>	<u>-</u>	<u>6,830,800</u>
	<u>\$52,530,515</u>	<u>\$ 1,617,851</u>	<u>\$ 610,458</u>	<u>\$ 246,912</u>	<u>\$ 872,744</u>	<u>\$ 12,935,450</u>	<u>\$ 12,071,715</u>	<u>\$ (9,571,137)</u>	<u>\$ 71,314,508</u>

LIABILITIES AND NET ASSETS

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Current liabilities:									
Lines of credit	\$ 1,425,875	\$ -	\$ -	\$ -	\$ 262,356	\$ 924,658	\$ 1,599,505	\$ -	\$ 4,212,394
Accounts payable	1,259,499	8,467	1,492	3,458	907	65,152	473,153	-	1,812,128
Accrued expenses	3,058,850	7,722	28,013	6,617	29,988	115,836	896,428	-	4,143,454
Accounts payable to affiliates	4,654,485	-	2,790,841	58,729	296,552	493,735	1,276,795	(9,571,137)	-
Current portion of deferred revenue	342,165	12,095	55,123	-	5,250	264,818	160,116	-	839,567
Current portion of interest rate swap agreements	525,435	-	-	-	-	39,267	143,430	-	708,132
Current portion of long-term debt	<u>523,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,000</u>	<u>159,003</u>	<u>-</u>	<u>796,290</u>
Total current liabilities	11,789,596	28,284	2,875,469	68,804	595,053	2,017,466	4,708,430	(9,571,137)	12,511,965
Deferred revenue, net of current portion	1,026,667	-	-	-	-	-	-	-	4,218,053
Other liabilities	1,367,458	-	-	-	-	3,191,386	-	-	1,367,458
Interest rate swap agreements, less current portion	1,699,286	-	-	-	-	17,475	333,453	-	2,050,214
Long-term debt, less current portion	<u>17,995,953</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,356,000</u>	<u>4,966,714</u>	<u>-</u>	<u>25,318,667</u>
Total liabilities	33,878,960	28,284	2,875,469	68,804	595,053	7,582,327	10,008,597	(9,571,137)	45,466,357
Net assets (deficit):									
Unrestricted	13,547,926	1,589,568	(2,279,862)	140,709	230,951	145,539	1,392,877	-	14,767,708
Temporarily restricted	734,001	(1)	14,851	1,482	22,914	-	152,190	-	925,437
Permanently restricted	<u>4,369,628</u>	<u>-</u>	<u>-</u>	<u>35,917</u>	<u>23,826</u>	<u>5,207,584</u>	<u>518,051</u>	<u>-</u>	<u>10,155,006</u>
Total net assets (deficit)	18,651,555	1,589,567	(2,265,011)	178,108	277,691	5,353,123	2,063,118	-	25,848,151
	<u>\$52,530,515</u>	<u>\$1,617,851</u>	<u>\$ 610,458</u>	<u>\$ 246,912</u>	<u>\$ 872,744</u>	<u>\$12,935,450</u>	<u>\$12,071,715</u>	<u>\$ (9,571,137)</u>	<u>\$71,314,508</u>

\* Includes Agency Realty, Inc., Webster Place, Inc. and Manchester Alcoholism Rehabilitation Center

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

Year Ended August 31, 2014

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Public support and revenue:									
Public support:									
Contributions	\$ 660,025	\$ 783	\$ 188,715	\$ 35,175	\$ -	\$ 5,902	\$ 409,654	\$ -	\$ 1,300,254
Special events, net	990,162	2,390	16,735	132,955	-	12,446	661,287	-	1,815,975
Annual campaigns, net	398,950	10,731	19,340	48,824	-	24,005	-	-	501,850
Bequests	<u>220,764</u>	<u>-</u>	<u>-</u>	<u>1,710</u>	<u>-</u>	<u>8,129</u>	<u>217,955</u>	<u>-</u>	<u>448,558</u>
Total public support	2,269,901	13,904	224,790	218,664	-	50,482	1,288,896	-	4,066,637
Revenue:									
Fees and grants from governmental agencies	37,890,398	3,257,409	2,142,632	1,114,188	-	248,623	23,072,047	-	67,725,297
Other fees and grants	19,739,085	669,021	37,471	61,137	-	9,862	4,577,720	-	25,094,296
Sales to public	4,270,196	-	-	-	-	-	-	-	4,270,196
Dividend and interest income	339,121	-	-	1,472	-	373,818	56,794	(25,255)	745,950
Rental income	1,032	-	-	-	-	-	64,746	(574)	65,204
Intercompany revenue	2,317,520	-	-	-	-	-	66,035	(2,383,555)	-
Other	<u>133,957</u>	<u>285</u>	<u>172</u>	<u>5,341</u>	<u>-</u>	<u>344,771</u>	<u>4,112</u>	<u>(29,450)</u>	<u>459,188</u>
Total revenue	<u>64,691,309</u>	<u>3,926,715</u>	<u>2,180,275</u>	<u>1,182,138</u>	<u>-</u>	<u>977,074</u>	<u>27,841,454</u>	<u>(2,438,834)</u>	<u>98,360,131</u>
Total public support and revenue	66,961,210	3,940,619	2,405,065	1,400,802	-	1,027,556	29,130,350	(2,438,834)	102,426,768
Operating expenses:									
Program services:									
Public health education	258,038	245	74	3,551	-	386	253,698	-	515,992
Professional education	29,065	-	-	-	-	-	-	-	29,065
Direct services	<u>56,578,002</u>	<u>3,518,763</u>	<u>2,156,028</u>	<u>1,164,880</u>	<u>-</u>	<u>576,844</u>	<u>26,023,617</u>	<u>(31,000)</u>	<u>89,987,134</u>
Total program services	56,865,105	3,519,008	2,156,102	1,168,431	-	577,230	26,277,315	(31,000)	90,552,191

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Eliminations	Total
Supporting services:									
Management and general Fundraising	\$ 8,240,795	\$ 344,097	\$ 220,095	\$ 130,416	\$ -	\$ 147,814	\$ 2,722,667	\$ (2,386,314)	\$ 9,419,570
	<u>862,957</u>	<u>319</u>	<u>90,098</u>	<u>141,535</u>	<u>-</u>	<u>129,258</u>	<u>796,555</u>	<u>(13,783)</u>	<u>2,006,939</u>
Total supporting services	<u>9,103,752</u>	<u>344,416</u>	<u>310,193</u>	<u>271,951</u>	<u>-</u>	<u>277,072</u>	<u>3,519,222</u>	<u>(2,400,097)</u>	<u>11,426,509</u>
Total functional expenses	65,968,857	3,863,424	2,466,295	1,440,382	-	854,302	29,796,537	(2,431,097)	101,958,700
Support of National programs	<u>25,797</u>	<u>-</u>	<u>606</u>	<u>2,110</u>	<u>-</u>	<u>2,559</u>	<u>91,514</u>	<u>-</u>	<u>122,586</u>
Total operating expenses	<u>65,994,654</u>	<u>3,863,424</u>	<u>2,466,901</u>	<u>1,442,492</u>	<u>-</u>	<u>856,861</u>	<u>29,888,051</u>	<u>(2,431,097)</u>	<u>102,081,286</u>
Increase (decrease) in net assets from operations	966,556	77,195	(61,836)	(41,690)	-	170,695	(757,701)	(7,737)	345,482
Other nonoperating expenses, gains and losses:									
Change in fair value of interest rate swaps	(444,658)	-	-	-	-	33,354	(183,550)	-	(594,854)
Net realized and unrealized gains (losses) on investments	1,303,266	-	-	-	-	235,704	(4,020)	-	1,534,950
Increase in fair value of beneficial interest in trusts held by others	14,750	-	-	2,851	-	511,682	45,687	-	574,970
Gain (loss) on sales and disposals of property, plant and equipment	16,368	-	-	-	-	(2,016)	-	-	14,352
Other nonoperating expenses	<u>(249,092)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(249,092)</u>
	640,634	-	-	2,851	-	778,724	(141,883)	-	1,280,326
Deconsolidation of affiliate	-	-	-	-	-	(5,841,079)	-	-	(5,841,079)
Increase (decrease) in net assets before effects of discontinued operations	1,607,190	77,195	(61,836)	(38,839)	-	(4,891,660)	(899,584)	(7,737)	(4,215,271)
Loss from discontinued operations	<u>(741,943)</u>	<u>-</u>	<u>(37,595)</u>	<u>-</u>	<u>(48,439)</u>	<u>(461,463)</u>	<u>(192,456)</u>	<u>7,737</u>	<u>(1,474,159)</u>
Total increase (decrease) in net assets	865,247	77,195	(99,431)	(38,839)	(48,439)	(5,353,123)	(1,092,040)	-	(5,689,430)
Net assets (deficit) at beginning of year	<u>18,651,555</u>	<u>1,589,567</u>	<u>(2,265,011)</u>	<u>178,108</u>	<u>277,691</u>	<u>5,353,123</u>	<u>2,063,118</u>	<u>-</u>	<u>25,848,151</u>
Net assets (deficit) at end of year	<u>\$ 19,516,802</u>	<u>\$ 1,666,762</u>	<u>\$ (2,364,442)</u>	<u>\$ 139,269</u>	<u>\$ 229,252</u>	<u>\$ -</u>	<u>\$ 971,078</u>	<u>\$ -</u>	<u>\$ 20,158,721</u>

\* Includes Agency Realty, Inc., Webster Place Inc., and Manchester Alcoholism Rehabilitation Center

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

Year Ended August 31, 2013

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	<u>Total</u>
Public support and revenue:									
Public support:									
Contributions	\$ 1,982,061	\$ 569	\$ 20,216	\$ 34,016	\$ -	\$ 43,732	\$ 416,983	\$ -	\$ 2,497,577
Special events, net	323,059	176	57,225	106,647	-	35,291	466,125	-	988,523
Annual campaigns, net	379,744	15,804	12,321	32,663	-	2,702	-	-	443,234
Bequests	<u>108,362</u>	<u>-</u>	<u>79,247</u>	<u>1,710</u>	<u>-</u>	<u>20,270</u>	<u>160,234</u>	<u>-</u>	<u>369,823</u>
Total public support	2,793,226	16,549	169,009	175,036	-	101,995	1,043,342	-	4,299,157
Revenue:									
Fees and grants from governmental agencies	34,749,892	2,855,468	1,328,332	1,077,769	-	346,649	23,270,093	-	63,628,203
Other fees and grants	19,378,555	727,962	30,673	64,890	-	16,554	3,794,589	-	24,013,223
Sales to public	4,019,558	-	-	-	-	-	-	-	4,019,558
Dividend and interest income	353,638	-	-	1,431	-	305,749	52,749	(31,275)	682,292
Rental income	1,240	-	-	-	-	-	143,531	-	144,771
Intercompany revenue	1,966,264	-	-	-	-	-	54,004	(2,020,268)	-
Other	<u>95,342</u>	<u>9,294</u>	<u>16</u>	<u>5,600</u>	<u>-</u>	<u>527,885</u>	<u>41,126</u>	<u>-</u>	<u>679,263</u>
Total revenue	<u>60,564,489</u>	<u>3,592,724</u>	<u>1,359,021</u>	<u>1,149,690</u>	<u>-</u>	<u>1,196,837</u>	<u>27,356,092</u>	<u>(2,051,543)</u>	<u>93,167,310</u>
Total public support and revenue	63,357,715	3,609,273	1,528,030	1,324,726	-	1,298,832	28,399,434	(2,051,543)	97,466,467
Operating expenses:									
Program services:									
Public health education	257,956	885	87	3,746	-	241	346,187	-	609,102
Professional education	41,275	-	-	-	-	-	-	-	41,275
Direct services	<u>54,105,838</u>	<u>3,177,319</u>	<u>1,235,816</u>	<u>1,073,809</u>	<u>-</u>	<u>810,933</u>	<u>24,086,980</u>	<u>(148,200)</u>	<u>84,342,495</u>
Total program services	54,405,069	3,178,204	1,235,903	1,077,555	-	811,174	24,433,167	(148,200)	84,992,872

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Supporting services:									
Management and general Fundraising	\$ 7,892,260	\$ 329,705	\$ 154,349	\$ 121,246	\$ -	\$ 75,977	\$ 2,686,098	\$ (1,855,742)	\$ 9,403,893
	<u>958,211</u>	<u>2,124</u>	<u>36,353</u>	<u>116,201</u>	<u>-</u>	<u>156,362</u>	<u>533,649</u>	<u>(47,601)</u>	<u>1,755,299</u>
Total supporting services	<u>8,850,471</u>	<u>331,829</u>	<u>190,702</u>	<u>237,447</u>	<u>-</u>	<u>232,339</u>	<u>3,219,747</u>	<u>(1,903,343)</u>	<u>11,159,192</u>
Total functional expenses	63,255,540	3,510,033	1,426,605	1,315,002	-	1,043,513	27,652,914	(2,051,543)	96,152,064
Support of National programs	<u>25,325</u>	<u>-</u>	<u>595</u>	<u>5,435</u>	<u>-</u>	<u>5,029</u>	<u>85,396</u>	<u>-</u>	<u>121,780</u>
Total operating expenses	<u>63,280,865</u>	<u>3,510,033</u>	<u>1,427,200</u>	<u>1,320,437</u>	<u>-</u>	<u>1,048,542</u>	<u>27,738,310</u>	<u>(2,051,543)</u>	<u>96,273,844</u>
Increase in net assets from operations	76,850	99,240	100,830	4,289	-	250,290	661,124	-	1,192,623
Other nonoperating expenses, gains and losses:									
Change in fair value of interest rate swaps	1,755,863	-	-	-	-	41,266	580,503	-	2,377,632
Net realized and unrealized gains (losses) on investments	715,103	-	-	-	-	112,222	(13,656)	-	813,669
Increase in fair value of beneficial interest in trusts held by others	5,861	-	-	1,429	-	208,036	24,110	-	239,436
Other nonoperating losses	(77,517)	-	-	-	-	-	(29,603)	-	(107,120)
Gain on sales and disposals of property, plant and equipment	<u>7,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,392</u>
	<u>2,406,702</u>	<u>-</u>	<u>-</u>	<u>1,429</u>	<u>-</u>	<u>361,524</u>	<u>561,354</u>	<u>-</u>	<u>3,331,009</u>
Increase in net assets before effects of discontinued operations	2,483,552	99,240	100,830	5,718	-	611,814	1,222,478	-	4,523,632
Income (loss) from discontinued operations	<u>11,430</u>	<u>(20,310)</u>	<u>(113,096)</u>	<u>-</u>	<u>(26,735)</u>	<u>(657,561)</u>	<u>(307,640)</u>	<u>-</u>	<u>(1,113,912)</u>
Total increase (decrease) in net assets	2,494,982	78,930	(12,266)	5,718	(26,735)	(45,747)	914,838	-	3,409,720
Net assets (deficit) at beginning of year	<u>16,156,573</u>	<u>1,510,637</u>	<u>(2,252,745)</u>	<u>172,390</u>	<u>304,426</u>	<u>5,398,870</u>	<u>1,148,280</u>	<u>-</u>	<u>22,438,431</u>
Net assets (deficit) at end of year	<u>\$ 18,651,555</u>	<u>\$ 1,589,567</u>	<u>\$ (2,265,011)</u>	<u>\$ 178,108</u>	<u>\$ 277,691</u>	<u>\$ 5,353,123</u>	<u>\$ 2,063,118</u>	<u>\$ -</u>	<u>\$ 25,848,151</u>

\* Includes Agency Realty, Inc., Webster Place Inc., and Manchester Alcoholism Rehabilitation Center

**EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended August 31, 2014

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Salaries and related expenses	\$ 48,494,900	\$ 2,970,136	\$ 1,999,154	\$ 1,053,169	\$ -	\$ 544,811	\$ 21,791,248	\$ -	\$ 76,853,418
Professional fees	6,982,525	533,037	188,905	228,820	-	211,335	3,776,125	(2,413,005)	9,507,742
Supplies	1,750,451	23,661	19,749	6,305	-	6,169	871,909	-	2,678,244
Telephone	684,805	15,065	6,345	9,051	-	3,934	148,073	-	867,273
Postage and shipping	70,760	1,033	3,123	2,173	-	1,280	34,635	-	113,004
Occupancy	2,097,572	85,308	168,892	84,892	-	49,802	1,593,939	-	4,080,405
Outside printing, artwork and media	67,850	3,479	9,570	4,559	-	449	41,120	-	127,027
Travel	2,231,402	118,835	6,591	39,351	-	8,863	189,950	(69)	2,594,923
Conventions and meetings	168,077	18,125	16,466	1,254	-	9,710	156,942	-	370,574
Specific assistance to individuals	968,332	70,856	22,066	-	-	12,455	171,751	-	1,245,460
Dues and subscriptions	22,081	-	2,424	125	-	870	15,339	-	40,839
Minor equipment purchases- and equipment rental	215,839	18,748	7,922	7,850	-	1,698	117,599	-	369,656
Ads, fees and miscellaneous	27,699	1,937	2,542	355	-	230	11,013	-	43,776
Interest	885,953	-	-	-	-	-	308,286	(18,023)	1,176,216
Bad debt provision	-	-	-	-	-	-	-	-	-
Facility tax assessment	-	-	-	-	-	-	182,791	-	182,791
Depreciation and amortization	1,300,611	3,204	12,546	2,478	-	2,696	385,817	-	1,707,352
	<u>\$ 65,968,857</u>	<u>\$ 3,863,424</u>	<u>\$ 2,466,295</u>	<u>\$ 1,440,382</u>	<u>\$ -</u>	<u>\$ 854,302</u>	<u>\$ 29,796,537</u>	<u>\$ (2,431,097)</u>	<u>\$ 101,958,700</u>

\* Includes Agency Realty, Inc., Webster Place Inc., and Manchester Alcoholism Rehabilitation Center

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2013

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Salaries and related expenses	\$ 46,435,814	\$ 2,582,606	\$ 1,182,486	\$ 950,569	\$ -	\$ 755,476	\$ 19,897,017	\$ -	\$ 71,803,968
Professional fees	6,607,471	573,778	49,472	197,171	-	128,550	3,683,964	(2,020,268)	9,220,138
Supplies	1,847,054	24,018	26,253	7,177	-	26,740	770,402	-	2,701,644
Telephone	676,981	15,458	3,861	7,864	-	6,589	131,845	-	842,598
Postage and shipping	76,565	1,528	2,604	2,455	-	908	30,711	-	114,771
Occupancy	2,011,739	55,018	128,009	83,516	-	52,053	1,488,120	-	3,818,455
Outside printing, artwork and media	73,284	4,336	5,082	7,299	-	10,719	29,277	-	129,997
Travel	2,241,712	114,616	2,695	42,513	-	10,516	191,172	-	2,603,224
Conventions and meetings	214,794	27,374	2,162	1,668	-	11,465	134,065	-	391,528
Specific assistance to individuals	712,548	87,860	2,648	-	-	595	153,140	-	956,791
Dues and subscriptions	24,498	538	4,902	1,246	-	1,280	16,753	-	49,217
Minor equipment purchases- and equipment rental	292,938	19,148	9,519	11,565	-	7,157	85,912	-	426,239
Ads, fees and miscellaneous	47,695	2,962	3,044	225	-	1,594	44,104	-	99,624
Interest	779,392	-	-	-	-	26,201	319,338	(31,275)	1,093,656
Facility tax assessment	-	-	-	-	-	-	311,041	-	311,041
Depreciation and amortization	1,213,055	793	3,868	1,734	-	3,670	366,053	-	1,589,173
	\$ 63,255,540	\$ 3,510,033	\$ 1,426,605	\$ 1,315,002	\$ -	\$ 1,043,513	\$ 27,652,914	\$ (2,051,543)	\$ 96,152,064

\* Includes Agency Realty, Inc., Webster Place Inc., and Manchester Alcoholism Rehabilitation Center

**Easter Seals New Hampshire, 555 Auburn Street, Manchester, NH 03103**  
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[REDACTED]  
Manchester, NH 03104  
[REDACTED]  
[REDACTED]

## Employment

- 9/98-Present Easter Seals NH, NY, ME, RI, VT, Coastal Fairfield CT, Farnum Center, Webster Place  
Manchester, NH
- *Project Director/Assistant to the Chief Operating Officer/Chief Financial Officer*  
Provide a continuum of dynamic support to the COO/CFO in the development, operation, monitoring and governance of more than 90 program services across a 6 state service region, to include:
    - Corporate, State and Federal grant writing
    - Contract negotiations
    - Organizational Strategic Plan Development and Implementation
    - Financial analysis and oversight of service line with annual operating budget of \$16 million
    - Program Management
    - Rate setting and Budget Development for Residential/Educational Programs
    - Report development for Regional and State Boards.
    - Routinely presided over and facilitated ad hoc committees with specialty focus
- 10/95-9/98 New Hampshire AIDS Foundation  
Manchester, NH
- *Executive Director*  
Responsible for overall operation of non-profit AIDS Service Organization with a \$500k annual operating budget and 10 full and part-time employees. Managed finances, ensured compliance with all private, State and Federal funding requirements. Responsible for all aspects of fundraising. Liaison to other community based organizations providing complementary services.
  - *Case Manager*  
Provided support and linked needs with resources for a caseload of 60 children and adults living with HIV/AIDS. Implemented and facilitated a support group for infected/affected couples.
- 9/91-10/95 Easter Seals NH  
Manchester, NH
- *Program Manager, Program Coordinator*  
Responsible for the oversight and operation of several programs for children and adults with a variety of cognitive, psychological and physical disabilities; from a 16 person vocational program for adults with developmental disabilities, to two Intensive Level Residential facilities for children and adolescents with emotional handicaps. Hired, supervised, trained and evaluated both direct care and management staff.
- 10/88-9/99 Lakes Region Community Mental Health Center  
Laconia, NH
- *Residential Manager*  
Responsible for the daily operation of a residential treatment facility for adults with chronic and severe mental illness, including 4 short-term crisis beds. Developed and implemented treatment plans for all residents, maintained on-going communication with case management and psychiatric staff.

## JOYCE L. CURRIER

### **Education B.S. Degree in Behavioral Science 1996 - 1998**

College For Lifelong Learning, Manchester, NH

Magna Cum Laude

Award: Academic Challenge Award, 1998

### **A.S. Degree in Liberal Arts 1978 – 1980**

Emmanuel College, Boston, MA

### 2005 to Present DCYF After Hours On-Call Emergency Line

Respond to emergency calls from NH police departments, hospitals and DCYF Area Administrators. Position requires having knowledge of NH's child placement regulations/requirements.

### 2000 to Present Easter Seals NH

Begin position as ISO Foster Care Case Manager. In 2005, transitioned to position of Admissions Intake Coordinator for the group homes in addition to the ISO program. Currently have a census of 155 children with referrals coming from different states and agencies. In this role, I am responsible for admissions and transitions between programs.

### 1998 – 2000 Emerson Hospital, Concord, MA

Emergency room consults to identify appropriate plans of care. Responsible for developing direct care for psychiatric and addiction patients of varying ages utilizing components of the nursing process (assessment, planning, implementation and evaluation) in designing and recording a plan of care. Participating in interdisciplinary rounds/case conferences in order to promote continuity of care. Served as a patient advocate coordinating a teaching plan along with other health team members, for the patient and family. Utilized appropriate channels of communication to resolve conflict.

### 1996- 1998 College For Lifelong Learning, Manchester, NH

Responsible for all functions of the office: registration of students, facility management, resolve problem areas, maintain files, administer company policies, answer telephone inquires and clerical support.

**TERESA KIELLY-FORREST**

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Qualifications: I currently have 24 years of experience counseling special needs adolescents in various settings such as hospitals, group homes and as a foster parent. In addition, I have also worked in a school setting working with the at risk, EH, population.

Work Experience:

- 2005 - Present: **DCYF After Hours On Call Emergency Line**  
Respond to emergency calls from NH police departments, hospitals and DCYF Area Administrators. Position requires having knowledge of NH's child placement regulations/requirements.
  
- 2005 - Present: **Easter Seals Zachary Road -Coordinator of Residential Services - Psych Units**  
Supervisor for 45 case managers, direct care workers for 4 psych units. Oversee and manage day to day treatment/operations for 50 intensive, psychiatric clients.
  
- 2003 - 2005 **Coordinator/Manager- Easter Seals Boys Group Home**  
Managed a 16 bed group home. Supervised a staff of 16 including clinical, case management and direct care workers. Self managed the On Call System.
  
- 2002 - 2003 **Easter Seals Zachary Road Building Manager**  
Responsible for hiring and supervising all staff at Zachary Road.
  
- 2001 - 2002 **Easter Seals Zachary Road Girls Psych Unit Supervisor**  
Direct Care Supervisor
  
- 2000 - 2001 **Rochester, NH School District - Teacher's assistant**
- 1993 - 2000 **Foster Parent for Easter Seals ISO Program**
- 1987 - 1993 **Easter Seals House Manager** for Girls Group Home
- 1989 - 1991 **Psychiatric Tech - Lake Shore Hospital - D&A**

1984 - 1987                    **Activity Director**, Beverly Manor Skilled Nursing  
Facility, Boulder, Co.

EDUCATION:

Jan. 1989 - June 1990    Springfield College, Manchester, NH  
Human Services/Counseling

Sept 1986 - Aug. 1987    Denver Metro College, Denver Co.  
Social Work

Jan 1986 - June 1986    Front Range Community College, Westminster, Co  
Liberal Arts

References available upon request.

# KEY ADMINISTRATIVE PERSONNEL

## NH Department of Health and Human Services

**Contractor Name:** Easter Seals New Hampshire, Inc.

**Name of Program:** After Hours Information and Referral Services

<b>BUDGET PERIOD:</b>		<b>SFY 16</b>		
<b>NAME</b>	<b>JOB TITLE</b>	<b>SALARY</b>	<b>PERCENT PAID FROM THIS CONTRACT</b>	<b>AMOUNT PAID FROM THIS CONTRACT</b>
Larry Gammon	President/CEO	\$352,452	0.00%	\$0.00
Elin Treanor	CFO	\$240,000	0.00%	\$0.00
Susan Ryan	COO	\$160,000	0.00%	\$0.00
John DeVos	Project Director	\$84,000	10.00%	\$8,400.00
Joyce Currier	After Hours On-Call staff	per diem	100.00%	\$10,043.50
Teresa Kielly-Forrest	After Hours On-Call staff	per diem	100.00%	\$10,043.50
<b>TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)</b>				<b>\$28,487.00</b>

<b>BUDGET PERIOD:</b>		<b>SFY 17</b>		
<b>NAME</b>	<b>JOB TITLE</b>	<b>SALARY</b>	<b>PERCENT PAID FROM THIS CONTRACT</b>	<b>AMOUNT PAID FROM THIS CONTRACT</b>
Larry Gammon	President/CEO	\$352,452	0.00%	\$0.00
Elin Treanor	CFO	\$240,000	0.00%	\$0.00
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<b>TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)</b>				<b>\$28,487.00</b>



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

Nicholas A. Toumpas  
Commissioner

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

Maggie Bishop  
Director

March 7, 2013

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

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to enter into an agreement with the Easter Seals New Hampshire, Inc., 555 Auburn Street, Manchester, New Hampshire (Vendor # 92504), for the provision of after hours information and referral services, effective July 1, 2013 through June 30, 2015, for an amount not to exceed \$84,967.00. Funds to support this request are anticipated to be available in the following account in SFY 2014 and SFY 2015 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts if needed and justified, between State Fiscal Years:

*100% FED 60% GEN*

05-95-42-4421010-2957 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS,  
HHS: HUMAN SERVICES, CHILD PROTECTION, CHILD PROTECTION

Class/Object	Title	Activity Code	State Fiscal Year 2014	State Fiscal Year 2015	Total Amount
102-500734	Contracts for Program Services	40025500	\$42,092.00	\$42,875.00	\$84,967.00

**EXPLANATION**

The above action is requested to provide after hours information and referral services. The service is needed to ensure: that the public can report child abuse or neglect during Division for Children, Youth and Families non-business hours; that citizens are provided with quality information and referral services, 24-hours a day, about community resources their families may need; that abused or neglected children have a safe place to stay when they are removed from their homes during the Division's non-business hours; and that the potential for harm to children at risk of abuse or neglect is reduced by bringing the issue to the attention of local law enforcement agencies during the Division's non-business hours.

Competitive Bidding Process

On October 5, 2012 the Division issued a Request for Proposal for this service. The RFP was published on the Department of Health and Human Services website. There were no responses to this RFP. On December 14, 2012 the Division reissued the RFP, it was again published on the Department website. The only agencies to submit a bid in response to this RFP were New Orleans Teleport, Inc d/b/a CALLS PLUS and from Easter Seals New Hampshire.

Stated in the RFP's language was proposal evaluation criteria (see attached evaluation summary) that fully described the factors that the Division would utilize in assessing the effectiveness of proposals received. In

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council

March 7, 2013

Page 2

preparing for the review of anticipated bids, the Division formed a multi-discipline Evaluation Committee. Each Committee member was given a Confidentiality Statement to ensure that information about the bidding and evaluation process would not be inappropriately released throughout the RFP cycle. Similarly, upon learning of CALLS PLUS and Easter Seals New Hampshire's proposals, each member was given a Conflict of Interest Statement to assure that the bid received in response to the RFP posed no personal or financial conflict for reviewers.

The Committee members individually reviewed both proposals; CALLS PLUS scored an average of 65.73 points, out of a possible 100 and Easter Seals New Hampshire scored an average of 84.88 points out of a possible 100. After reviewing each committee member's comments, the committee recommended awarding an agreement to Easter Seals New Hampshire for the provision of this service. The Division Director concurred with the Committee's recommendation, based on the factors shared by the Committee and the cost and agreement terms successfully negotiated with Easter Seals New Hampshire. Should Governor and Executive Council not approve this agreement the potential for harm to children at risk of abuse or neglect is increased by not bringing the issue to the attention of local law enforcement agencies during the Division's non-business hours.

#### Vendor Performance

This agreement represents a continuation of Easter Seals New Hampshire's performance of after hours information and referral services for the Division. Easter Seals New Hampshire utilizes highly skilled clinical staff to respond to urgent child welfare calls received through this service. The Division is confident that people accessing the service will receive quality information and emergency placements of children will be appropriately managed.

#### Agreement Terms

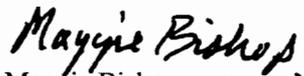
The RFP and attached agreement call for the provision of after hours information and referral services for two years and reserves the Division's option to renew these services for up to two additional years, based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Executive Council approval.

In this agreement, ESNH will contribute 5% of the total program costs. In addition, through contract negotiations, Easter Seals New Hampshire's administrative costs were reduced to less than 9%.

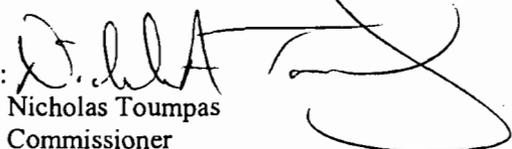
Geographic area served: Statewide

Source of funds: 40% Federal, 60% General. In the event that Federal funds become no longer available, General funds will not be requested to support this program.

Respectfully submitted,

  
Maggie Bishop (422)  
Director

Approved by:

  
Nicholas Toumpas  
Commissioner

Proposal Evaluation Summary

After Hours Information and Referral Services RFP #13-DCYF-AHIRS-09  
January 16, 2013

		Individual Evaluator Scores													
		Robert Bostvert		Maire Noonan		John Harrington		Lorraine Bartlett		Deb Kavanagh		Average	Raw	Average	Raw
		ES	CP	ES	CP	ES	CP	ES	CP	ES	CP				
<b>1. General Evaluation Criteria (Up to 33 Points for each criteria - value 6% of total)</b>															
a	Conformity in form and format to instructions contained in the RFP	33.00	33.00	33.00	33.00	25.00	25.00	25.00	25.00	33.00	33.00	29.80	149.00	29.80	149.00
b	Competence and execution in the proper manner	33.00	33.00	33.00	33.00	25.00	25.00	25.00	25.00	33.00	33.00	29.80	149.00	29.80	149.00
c	Services proposed in response to proposal specifications	33.00	25.00	33.00	15.00	33.00	25.00	33.00	15.00	33.00	15.00	33.00	165.00	19.00	95.00
Sub Total		99.00	91.00	99.00	61.00	83.00	75.00	83.00	63.00	99.00	81.00	4.63	463.00	3.93	393.00
<b>2. Experience (Up to 26 Points for each criteria - value 20% of total)</b>															
a	Demonstrated capacity of the agency to implement the program	25.00	20.00	25.00	20.00	20.00	25.00	25.00	20.00	25.00	20.00	24.00	120.00	21.00	105.00
b	The past experience of the Bidder in providing information and referral services regarding community-based programs and child welfare services	25.00	15.00	25.00	15.00	25.00	20.00	25.00	15.00	25.00	15.00	25.00	125.00	16.00	80.00
c	The Bidder's past experience with receiving and responding to child abuse and neglect reports	20.00	5.00	20.00	15.00	25.00	20.00	20.00	5.00	25.00	5.00	22.00	110.00	10.00	50.00
d	The Bidder's ability to work with the Division for Children, Youth, and Families, other state agencies, or other agencies	20.00	25.00	25.00	20.00	25.00	20.00	20.00	20.00	20.00	20.00	23.00	115.00	21.00	105.00
Sub Total		90.00	65.00	95.00	70.00	95.00	85.00	90.00	60.00	100.00	60.00	18.80	470.00	13.60	340.00
<b>3. Program Description (Up to 26 Points for each criteria - value 35% of total)</b>															
a	Qualifications and adequacy of staffing	25.00	5.00	25.00	5.00	20.00	15.00	20.00	15.00	25.00	5.00	23.00	115.00	7.00	35.00
b	The extent to which the proposed program meets or exceeds each of the specifications	25.00	5.00	25.00	15.00	20.00	15.00	25.00	15.00	25.00	15.00	24.00	120.00	13.00	65.00
c	The acceptability of the staffing plan, staff credentials and other operational specifications	25.00	15.00	25.00	0.00	25.00	15.00	25.00	15.00	25.00	15.00	25.00	125.00	10.00	50.00
d	The ability of the agency to provide qualitative and measurable outcome information	20.00	20.00	20.00	25.00	20.00	25.00	15.00	20.00	20.00	20.00	19.00	95.00	22.00	110.00
Sub Total		95.00	45.00	95.00	45.00	85.00	70.00	85.00	55.00	95.00	45.00	31.85	485.00	18.20	260.00
<b>4. Cost and Resources (Up to 26 Points for each criteria - value 40% of total)</b>															
a	The cost effectiveness of the proposal	15.00	25.00	20.00	25.00	20.00	25.00	20.00	20.00	25.00	20.00	19.00	95.00	24.00	120.00
b	The acceptability of the total cost based based on the project's scope of services and any contractor match	15.00	20.00	20.00	20.00	20.00	20.00	20.00	15.00	20.00	20.00	19.00	95.00	19.00	95.00
c	The completeness and accuracy of the budget	15.00	15.00	20.00	15.00	20.00	20.00	20.00	15.00	20.00	15.00	19.00	95.00	16.00	80.00
d	The acceptability of the line item costs as detailed in the budget narrative	15.00	15.00	20.00	15.00	20.00	20.00	20.00	15.00	20.00	15.00	17.00	85.00	16.00	80.00
Sub Total		60.00	75.00	80.00	75.00	80.00	85.00	85.00	75.00	70.00	75.00	29.60	370.00	30.00	375.00
<b>TOTAL</b>		344.00	278.00	389.00	271.00	343.00	315.00	333.00	260.00	389.00	256.00	84.88	1788.00	65.73	1368.00

EVALUATION COMMITTEE BACKGROUND

Robert Bostvert: DCYF Administrator, Business Operations; oversight of After-Hours Contract, former DCYF Child Protection Assistant Administrator and Training Bureau Administrator.  
Maire Noonan: Field Administrator, DCYF Bureau of Child Protection; has oversight of three DCYF District Offices, as well as DCYF Central Intake. She is the on-call Administrator.  
John Harrington: Contract Specialist, DHHS  
Lorraine Bartlett: Administrator, DCYF Bureau of Child Protection; has oversight of Statewide child protection program and on call Assistant Child Protection Administrators  
Deb Kavanagh: Field Administrator, DCYF Bureau of Child Protection

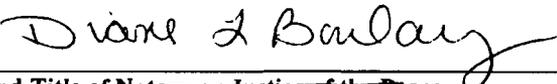
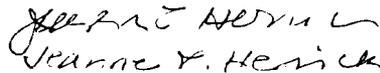
Subject: After Hours Information and Referral Services

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> Department of Health and Human Services Division for Children, Youth and Families		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301	
<b>1.3 Contractor Name</b> Easter Seals New Hampshire, Inc.		<b>1.4 Contractor Address</b> 555 Auburn Street Manchester, NH 03103	
<b>1.5 Contractor Phone Number</b> 603-621-3463	<b>1.6 Account Number</b> 05-95-42-4421010-2957-102-500734-40025500	<b>1.7 Completion Date</b> 6/30/2015	<b>1.8 Price Limitation</b> \$84,967.00
<b>1.9 Contracting Officer for State Agency</b> John Harrington		<b>1.10 State Agency Telephone Number</b> 603-271-9540	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> Elin Treanor, Chief Financial Officer	
<b>1.13 Acknowledgement:</b> State of <u>NH</u> , County of <u>Hillsborough</u> On <u>3/15/13</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
<b>1.13.1 Signature of Notary Public or <del>Justice of the Peace</del></b> [Seal] 			
<b>1.13.2 Name and Title of Notary or <del>Justice of the Peace</del></b> DIANE L. BOULAY, Notary Public My Commission Expires September 3, 2013			
<b>1.14 State Agency Signature</b> 		<b>1.15 Name and Title of State Agency Signatory</b> Maggie Bishop, Director	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b> By:  Jeanne Y. Henrich, Attorney On: <u>2 Apr. 2013</u>			
<b>1.18 Approval by the Governor and Executive Council</b> By: _____ On: _____			

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

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**  
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").  
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

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

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**  
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.  
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.  
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**  
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.  
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.  
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**  
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.  
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.  
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**14. INSURANCE.**

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

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

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

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

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

Contractor Initials: ET  
Date: 3/15/2015

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

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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

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

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

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

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

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

**Exhibit A**

**SCOPE OF SERVICES**

DATE: February 27, 2013

CONTRACT PROJECT: After Hours Information and Referral Services

CONTRACT PERIOD: July 1, 2013 through June 30, 2015

CONTRACTOR NAME: Easter Seals New Hampshire

ADDRESS: 555 Auburn Street  
Manchester, NH 03103-4800

TELEPHONE: (603) 621-3463

E-MAIL: etreanor@eastersealsnh.org

PROJECT DIRECTOR: Elin Treanor

1. **Provisions Applicable To All Services**

- 1.1. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or Federal or State court orders may have an impact on the Service(s) described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Contract so as to achieve compliance therewith, in which event the price limitations for such Service(s) will be renegotiated.
- 1.2. The Contractor agrees to use its best efforts to apply for any and all appropriate public and private sources of funds which are applicable to the funding of the Service(s) stipulated below, including, but not limited to, funds provided by the Department of Education, local agencies, United Way, the United States Department of Agriculture, Health Care Financing Administration, and the National Runaway Program. Appropriate records will be maintained by the Contractor to document actual funds received or denials of funding from such sources of funds.

2. **Population Served**

1. The program shall serve any individual wishing to access these services statewide.

3. **Services to be Provided**

- 3.1 The Contractor shall provide after hour access information and referral services to callers inquiring about community-based agencies that can provide needed services for families. To ensure the accuracy of information provided, the Contractor shall maintain an updated list of agencies throughout the state, the types of services each provides, and their contact information.

3.2 The Contractor shall provide child welfare specific information and referral support services, during the Division's non-business hours, to ensure that individuals and law enforcement personnel have access to the State's child welfare system during non-business hours. Such support shall include, at minimum:

- a. Provide placement resources to law enforcement to facilitate placements for children in immediate need of care due to abuse or neglect.
- b. Ensure access to DCYF resources for verbal authorization to secure emergency medical treatment for children in DCYF guardianship when DCYF offices are closed.
- c. Provide information and referral services to support parents and individuals at risk of abusing or neglecting a child or children.
- d. Provide information and referrals for individuals to report potential child abuse and neglect.
- e. Provide information to individuals who want to learn about child abuse and neglect in general.
- f. Receiving, documenting, and reporting DCYF intake messages that have been received through the Contractor to DCYF.
- g. Responding to callers requesting information and referral assistance to community-based agencies that can provide needed services for families.
- h. Receiving, documenting, and reporting allegations of child abuse or neglect, wherein the callers indicate that immediate intervention may be necessary, and relaying this information to appropriate law enforcement officials for their immediate investigation.

3.3 The Contractor shall work with DCYF to identify and maintain a list of emergency placement homes, DCYF on-call staff and their contact information, and DCYF Intake Unit staff and contact information, for the purpose of:

- a. Facilitating the identification of and access to an emergency placement home upon a request from a law enforcement agency;
- b. Facilitating access to DCYF on-call staff for the purposes of obtaining verbal authorization for emergency medical treatment of children in DCYF guardianship; contacting a DCYF representative when an emergency placement home cannot be found or in any other instance wherein the Contractor deems it appropriate to contact DCYF on-call staff; and
- c. Communicating with the DCYF Intake Unit by 9AM the next business day to convey messages and non-emergency reports of alleged child abuse and/or neglect in a timely manner.

#### 4. Program Outcomes

4.1 Abused or neglected children have a safe place to stay when they are removed from their homes during DCYF's non-business hours.

- a. To document this outcome, the Contractor shall demonstrate that calls were received, logged, responded to, and relayed appropriately.

- 4.2 Ensure the Community has DCYF resources for verbal authorization to secure emergency medical treatment for children in DCYF guardianship when DCYF offices are closed.
- a. To document this outcome, the Contractor shall demonstrate that calls were received, logged, responded to, and relayed appropriately. Individuals are able to report child abuse and neglect during DCYF's non-business hours.
- 4.3 Individuals are able to receive quality information and referral services, 24-hours a day, to help them access community resources that support family needs.
- b. To document this outcome the Contractor shall conduct consumer satisfaction surveys that accurately assess the quality of services provided, report the survey results to DCYF, identify any areas of needed improvement and develop an improvement plan to address such areas.
- 4.4 The potential for harm to children at risk of abuse or neglect is reduced through bringing the issue to the attention of the proper authorities during DCYF's non-business hours.
- a. To document this outcome, the Contractor shall demonstrate that calls were received, logged, responded to, and relayed appropriately.
  - b. For non-emergency reports, the Contractor shall also demonstrate that the information gathered was appropriately and promptly routed to DCYF by 9AM the business day.

## 5. Operational Specifications

### 1. General

- 1.1 The Contractor shall operate and staff the in-state toll-free information and referral telephone line after hours, 365 days per year.
- 1.2 The Contractor shall ensure that services provided are responsive and accessible to New Hampshire's diverse community.

### 2. Staff Qualifications

- 2.1 The Contractor shall staff this program with individuals trained in receiving and responding to the types of calls described in the Services to be Provided section of this RFP.
- 2.2 The Contractor shall identify a project director to be the primary contact person with which the Division will coordinate the services contracted.

3. Records and Reporting Requirements

- 3.1 The Contractor shall promptly provide daily reports of abuse or neglect received during DCYF's non-business hours to DCYF Central Intake by 9AM the next business day.
- 3.2 The Contractor shall provide periodic reports to the Division that includes a variety of data elements to document the volume and nature of calls received and responded to.

The Contractor shall provide to the Division, at least annually, the results of its annual consumer satisfaction survey.

6. Special Provisions

- a. The Contractor shall begin providing services July 1, 2013 or within 30 days after the date of Governor and Executive Council approval of the contract, whichever is later, and shall continue to provide services until June 30, 2015.
- b. The Division reserves the right to renew the contract for up to two additional years, subject to continued availability of funds, satisfactory performance of services, and approval by the Governor and Honorable Executive Council.
- c. The Contractor shall comply with the confidentiality provisions of RSA 170-G: 8-a. All information regarding the Division's clients, client families, foster families, and other involved individuals that the Contractor may learn is strictly confidential and shall not be discussed with anyone except the Division's personnel in the performance of contracted services.

Contractor Initials ET  
Date 3/10/2013

**EXHIBIT B**

**PURCHASE OF SERVICES**

Agency Name: Easter Seals New Hampshire, Inc.

Program Period: July 1, 2013 to June 30, 2015

1. Subject to the Provider's compliance with the terms and conditions of this agreement, and for services provided to eligible individuals, the Office of the Commissioner shall reimburse the provider up to a maximum total payment of \$84,967.00.
2. Monthly payment to the Contractor shall be made based on a cost reimbursement based on actual expenditures incurred in fulfillment of this agreement. Expenditures shall be submitted in accordance with the line item budget shown on Exhibit B-2 and shall be made subject to the following conditions:
  - 2.1 A DCYF generated invoice template, specific to this agreement, shall be issued to the Contractor within 30 days of July 1, 2013 or agreement approval whichever is later. The invoice template shall be completed by the Contractor, signed, and returned to John Harrington, Contract Specialist, Division for Children, Youth and Families, Department of Health and Human Services, 129 Pleasant Street, Concord, NH 03301-3857, in order to initiate payment. Invoices must be signed by an authorized representative of the Contractor.
  - 2.2 Payment of the full Contract Price shall be contingent upon the Contractor providing the Contractor match, as indicated in Exhibit B-2. Expenditures shall be in accordance with the approved line item budget shown in Exhibit B-2 and personnel costs billed in accordance with Exhibit B-1. Any adjustments in a line item in Exhibit B-1 or B-2 in excess of 10% shall require the prior written approval of DCYF.
  - 2.3 Payments may be withheld pending receipt of the required reports outlined in Exhibit A.
  - 2.4 The Contractor shall ensure that the final documents for payment are submitted to DCYF no later than sixty (60) days after this Contract ends.
  - 2.5 Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the Services provided, or if the said Services have not been completed in accordance with the terms and conditions of this Contract.
3. The Division reserves the right to renew the Contract for up to two additional years, subject to continued availability of funds, satisfactory performance of services, and approval by the Governor and Executive Council.

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

**Division for Children, Youth and Families**

RFP #  
EXHIBIT B-1  
PERSONNEL DATA

13-DCYF-AHIRS-10

**State Fiscal Year 2014**

	Name	Title	Annual Salary	% of Time to Work on the Project	Project Amount Charged for SFY 2014 (7/1/13-6/30/14)
1	John DeVos	Asst to COO	\$ 79,000.00	10%	\$ 7,900.00
2	Donna Keefe	After Hours Staff	\$54/day	40%	\$ 7,992.00
3	Terry Keily-Forrest	After Hours Staff	\$54/day	40%	\$ 7,992.00
4	Joyce Currier	After Hours Staff	\$54/day	20%	\$ 3,996.00
5			\$ -		\$ -
6			\$ -		\$ -
7			\$ -		\$ -
8					\$ -
9					
	<b>Total:</b>				\$ 27,880.00

**State Fiscal Year 2015**

	Name	Title	Annual Salary	% of Time to Work on the Project	Project Amount Charged for SFY 2015 (7/1/14-6/30/15)
1	John DeVos	Asst to COO	\$ 81,370.00	10%	\$ 8,137.00
2	Donna Keefe	After Hours Staff	\$55/day	40%	\$ 8,140.00
3	Terry Keily-Forrest	After Hours Staff	\$55/day	40%	\$ 8,140.00
4	Joyce Currier	After Hours Staff	\$55/day	20%	\$ 4,070.00
5			\$ -		\$ -
6			\$ -		\$ -
7			\$ -		\$ -
8					\$ -
9					
	<b>Total:</b>				\$ 28,487.00

Contractor Initials: ET  
Date: 3/15/2015

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

**Easter Seals New**

**Bidder/Program Name: Hampshire, Inc**

**Budget Request for: RFP# 13-DCYF-AHIRS-09**

*(Name of RFP)*

**Budget Period: SFY14 - 7/1/13 - 6/30/14**

<b>1. Total Salary/Wages</b>	\$ 27,880	\$	\$ 27,880	\$	\$ 27,880	
<b>2. Employee Benefits</b>	\$ 8,085	\$	\$ 8,085	\$	\$ 8,085	
<b>3. Consultants</b>	\$	\$	\$ -	\$	\$ -	
<b>4. Equipment:</b>	\$	\$	\$ -	\$	\$ -	
Rental	\$	\$	\$ -	\$	\$ -	
Repair and Maintenance	\$	\$	\$ -	\$	\$ -	
Purchase/Depreciation	\$	\$	\$ -	\$	\$ -	
<b>5. Supplies:</b>	\$	\$	\$ -	\$	\$ -	
Educational	\$	\$	\$ -	\$	\$ -	
Office	\$ 200	\$	\$ 200	\$	\$ 200	
<b>6. Travel</b>	\$	\$	\$ -	\$	\$ -	
<b>7. Occupancy</b>	\$	\$	\$ -	\$ 2,400	\$ 2,400	
<b>8. Current Expenses</b>	\$	\$	\$ -	\$	\$ -	
Telephone	\$ 1,800	\$	\$ 1,800	\$	\$ 1,800	
Postage	\$ 300	\$	\$ 300	\$	\$ 300	
Subscriptions	\$	\$	\$ -	\$	\$ -	
Audit and Legal	\$	\$	\$ -	\$	\$ -	
Insurance	\$	\$	\$ -	\$	\$ -	
Board Expenses	\$	\$	\$ -	\$	\$ -	
<b>9. Software</b>	\$	\$	\$ -	\$	\$ -	
<b>10. Marketing/Communications</b>	\$	\$	\$ -	\$	\$ -	
<b>11. Staff Education and Training</b>	\$	\$	\$ -	\$	\$ -	
<b>12. Subcontracts/Agreements</b>	\$	\$	\$ -	\$	\$ -	
<b>13. Other (specific details mandatory):</b>	\$	\$ 3,827	\$ 3,827	\$	\$ 3,827	allocation @ 10% of direct expense
<b>TOTAL</b>	<b>\$ 38,265</b>	<b>\$ 3,827</b>	<b>\$ 42,092</b>	<b>\$ 2,400</b>	<b>\$ 44,492</b>	

Indirect As A Percent of Direct

10%

ET  
3/15/2013

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

**Easter Seals New**

**Bidder/Program Name: Hampshire, Inc**

**Budget Request for: RFP# 13-DCYF-AHIRS-09**

*(Name of RFP)*

**Budget Period: SFY15 - 7/1/14 - 6/30/15**

Line Item	Direct Cost	Indirect Cost	Total Direct Cost	Indirect Match	Total Costs	Allocation Method of Indirect/Total Cost
1. Total Salary/Wages	\$ 28,487	\$	\$ 28,487	\$	\$ 28,487	
2. Employee Benefits	\$ 8,261	\$	\$ 8,261	\$	\$ 8,261	
3. Consultants	\$	\$	\$ -	\$	\$ -	
4. Equipment:	\$	\$	\$ -	\$	\$ -	
Rental	\$	\$	\$ -	\$	\$ -	
Repair and Maintenance	\$	\$	\$ -	\$	\$ -	
Purchase/Depreciation	\$	\$	\$ -	\$	\$ -	
5. Supplies:	\$	\$	\$ -	\$	\$ -	
Educational	\$	\$	\$ -	\$	\$ -	
Office	\$ 200	\$	\$ 200	\$	\$ 200	
6. Travel	\$	\$	\$ -	\$	\$ -	
7. Occupancy	\$	\$	\$ -	\$ 2,400	\$ 2,400	
8. Current Expenses	\$	\$	\$ -	\$	\$ -	
Telephone	\$ 1,800	\$	\$ 1,800	\$	\$ 1,800	
Postage	\$ 300	\$	\$ 300	\$	\$ 300	
Subscriptions	\$	\$	\$ -	\$	\$ -	
Audit and Legal	\$	\$	\$ -	\$	\$ -	
Insurance	\$	\$	\$ -	\$	\$ -	
Board Expenses	\$	\$	\$ -	\$	\$ -	
9. Software	\$	\$	\$ -	\$	\$ -	
10. Marketing/Communications	\$	\$	\$ -	\$	\$ -	
11. Staff Education and Training	\$	\$	\$ -	\$	\$ -	
12. Subcontracts/Agreements	\$	\$	\$ -	\$	\$ -	
13. Other (specific details mandatory):	\$	\$ 3,827	\$ 3,827	\$	\$ 3,827	allocation @ 9.8% of direct expense
<b>TOTAL</b>	<b>\$ 39,048</b>	<b>\$ 3,827</b>	<b>\$ 42,875</b>	<b>\$ 2,400</b>	<b>\$ 45,275</b>	

Indirect As A Percent of Direct

9.80%

ET  
3/15/2013

NH Department of Health and Human Services

STANDARD EXHIBIT C

SPECIAL PROVISIONS

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

**2. Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

**3. Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

**4. Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

**5. Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

**6. Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

**7. Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

**8. Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractor's costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:

**8.1** Renegotiate the rates for payment hereunder, in which event new rates shall be established;

**8.2** Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

**9. Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:

**9.1 Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

**9.2 Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

**9.3 Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

**10. Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the Contractor fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

**10.1 Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.

**10.2 Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

**11. Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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

**12. Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.

**12.1 Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.

**12.2 Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

**13. Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**14. Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:

**14.1** The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

**15. Prior Approval and Copyright Ownership:**

All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

**16. Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

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

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

- Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function

- Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- Monitor the subcontractor's performance on an ongoing basis
- Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- DHHS shall review and approve all subcontracts.

Page \_\_\_\_ of \_\_\_\_

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

**SPECIAL PROVISIONS – DEFINITIONS**

As used in the Contract, the following terms shall have the following meanings:

**COSTS:** Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

**DEPARTMENT:** NH Department of Health and Human Services.

**PROPOSAL:** If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

**UNIT:** For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

**FEDERAL/STATE LAW:** Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

**SUPPLANTING OTHER FEDERAL FUNDS:** The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

Contractor Initials: ET  
Date: 3/15/10B

**NH Department of Health and Human Services**

**STANDARD EXHIBIT D**

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

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

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

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

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

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

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

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

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

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

200 Zachary Rd. Manchester, NH 03103; 555 Auburn St Manchester, NH 03103

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

Easter Seals New Hampshire, Inc

From: 7/1/2013 To: 6/30/2015

(Contractor Name)

(Period Covered by this Certification)

Elin Treanor, CFO/COO

(Name & Title of Authorized Contractor Representative)



(Contractor Representative Signature)

3/15/2013

(Date)

NH Department of Health and Human Services

STANDARD EXHIBIT E

CERTIFICATION REGARDING LOBBYING

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

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

- Programs (indicate applicable program covered):
\*Temporary Assistance to Needy Families under Title IV-A
\*Child Support Enforcement Program under Title IV-D
\*Social Services Block Grant Program under Title XX
\*Medicaid Program under Title XIX
\*Community Services Block Grant under Title VI
\*Child Care Development Block Grant under Title IV

Contract Period: 7/1/13 through 6/30/15

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.

[Signature]
(Contractor Representative Signature)

Elin Treanor, CFO/COO
(Authorized Contractor Representative Name & Title)

Easter Seals New Hampshire, Inc
(Contractor Name)

3/11/13
(Date)

Contractor Initials: ET
Date: 3/11/13

**NH Department of Health and Human Services**

**STANDARD EXHIBIT F**

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

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

**INSTRUCTIONS FOR CERTIFICATION**

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

Contractor Initials: ET

Date: 3/11/2013

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

**PRIMARY COVERED TRANSACTIONS**

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

Contractor Initials: ET

Date: 3/15/2013

**LOWER TIER COVERED TRANSACTIONS**

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

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

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

	Elin Treanor, CFO/COO
_____ (Contractor Representative Signature)	_____ (Authorized Contractor Representative Name & Title)
Easter Seals New Hampshire, Inc	3/15/2013
_____ (Contractor Name)	_____ (Date)

Contractor Initials: ET  
 Date: 3/15/2013

NH Department of Health and Human Services

STANDARD EXHIBIT G

CERTIFICATION REGARDING  
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

	Elin Treanor, CFO/COO
_____ (Contractor Representative Signature)	_____ (Authorized Contractor Representative Name & Title)

Easter Seals New Hampshire, Inc	<i>3/15/2013</i>
_____ (Contractor Name)	_____ (Date)