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STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6503
603-271-4612 1-800-852-3345 Ext. 4612
Fax: 603-271-4827 TDD Access: 1-800-735-2964



Jeffrey A. Meyers
Commissioner

Marcella J. Bobinsky
Acting Director

April 20, 2016

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 of Public Health Services to exercise renewal options and amend contracts with the seven (7) vendors listed below by increasing the Price Limitation by \$200,000 from \$100,000 to \$300,000 for Families First of the Greater Seacoast, and by \$200,000 from \$200,000 to \$400,000 for the other six (6) vendors, to provide dental treatment and oral health services to clients enrolled in the New Hampshire Ryan White CARE Program, and to extend the completion dates from June 30, 2016 to June 30, 2018, effective upon Governor and Executive Council approval. No maximum client or service volume is guaranteed. Accordingly, the price limitation among all Vendor Agreements combined is \$100,000 per each State Fiscal Year. These agreements were originally approved by the Governor and Executive Council on December 3, 2014, Item #20; March 25, 2015, Item #11, April 8, 2015, Item #20, May 27, 2015, Item #33, June 10, 2015, Item #15 and July 22, 2015, Item #25. The source of funding is 100% Other Funds from the Pharmaceutical Rebates.

Table with 3 columns: Vendor, Vendor #, Location. Rows include: Easter Seals New Hampshire, Inc.; Families First of the Greater Seacoast; Greater Nashua Dental Connection, Inc.; Harbor Homes, Inc.; Mary Hitchcock Memorial Hospital d/b/a Dartmouth Hitchcock Clinic; Ramesh Durvasula, DMD; Tri-County Community Action Program, Inc.

Funds to support this request are available in the following account for State Fiscal Year 2017 and are anticipated to be available in State Fiscal Year 2018 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts between State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, PHARMACEUTICAL REBATES

| SFY | Class / Account | Class Title | Job Number | Current Modified Budget | Increase (Decrease) Amount | Revised Modified Budget |
|------|-----------------|--------------|--------------|-------------------------|----------------------------|-------------------------|
| 2015 | 530-500371 | Drug Rebates | 90024608 | \$100,000 | \$0.00 | \$100,000 |
| 2016 | 530-500371 | Drug Rebates | 90024608 | \$100,000 | \$0.00 | \$100,000 |
| 2017 | 530-500371 | Drug Rebates | 90024608 | \$0.00 | \$100,000 | \$100,000 |
| 2018 | 530-500371 | Drug Rebates | 90024608 | \$0.00 | \$100,000 | \$100,000 |
| | | | Total | \$200,000 | \$200,000 | \$400,000 |

EXPLANATION

This requested action will ensure the continued provision of dental treatment and other oral health services to New Hampshire residents living with Human Immunodeficiency Virus (HIV) statewide, and who are enrolled in the New Hampshire Ryan White CARE Program. On December 3, 2014, the Governor and Executive Council originally approved the Department's request to establish a list of Licensed Dentists with the ability to expand the list as other individuals and organizations became known. Federal law requires that the state have agreements in place for these services. This package includes seven (7) of seven (7) amendments to fulfill this need throughout the state. The licensed Dentists will provide dental treatment and other oral health services to enrolled clients, on an individual, case-by-case, as needed basis. In the interest of efficiency, these contract amendments are being bundled as they are providing the same services, and the price limitation among all contractors is combined per each fiscal year.

The New Hampshire Ryan White CARE Program receives funding from the Health Resources and Services Administration (HRSA), Ryan White HIV/AIDS Program, Part B for medical services, oral health, and home health care services. HRSA funding is in accordance with the Ryan White HIV/AIDS Treatment Extension Act of 2009. The intent of the legislation and federal funding is to assure access to care for financially eligible individuals living with HIV/AIDS. As a recipient of federal funding, the New Hampshire Ryan White CARE Program is subject to the federal mandate to implement contractual agreements with all service providers and to maintain nationally accepted fiscal, programmatic, and monitoring standards established by HRSA. Federal regulation also requires that Ryan White CARE Program funds be used as a "payer of last resort."

These vendors were originally selected for this project through a Request for Application process.

As referenced in the original letters approved by Governor and Executive Council and in the Exhibits C-1, these Agreements have the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council. The Division is exercising these renewal options.

These vendors have been actively involved with the satisfactory delivery of services to enrolled clients since the start date of their current agreements, and have agreed to continue to provide dental treatment and other oral health services to clients living with HIV/AIDS in stated geographic areas. The performance results of this federally mandated program are measured by the number of New Hampshire Ryan White CARE Program clients that actually receive dental services, and will be used to continue to measure the effectiveness of the agreements.

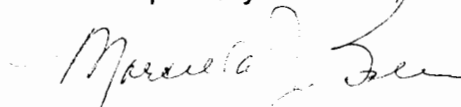
Should Governor and Executive Council not authorize this Request, the state would not be in compliance with federal regulations for this program. In addition, eligible New Hampshire residents living with HIV/AIDS with immediate oral health needs may not receive prevention and treatment for dental conditions. The services in these amendments will promote the goals of the National HIV/AIDS Strategy and maintain a continuum of care in order to reduce HIV/AIDS related health disparities and the occurrence of negative health outcomes. The program currently provides services to approximately 450 to 500 clients statewide.

The geographic area to be served is statewide.

Source of Funds: 100% Other Funds from the Pharmaceutical Rebates.

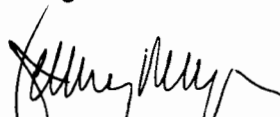
In the event that the Other Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Marcella J. Bobinsky, MPH
Acting Director

Approved by:



Jeffrey A. Meyers
Commissioner



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the
NH Ryan White CARE Program Dental Treatment and Oral Health Services Contract**

This first Amendment to the NH Ryan White CARE Program Dental Treatment and Oral Health Services Contract, (hereinafter referred to as "Amendment #1") dated this 22nd day of January, 2016, 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 of New Hampshire, Inc. (hereinafter referred to as "the Contractor") a nonprofit corporation with a place of business located at 555 Auburn St, Manchester, NH 03103.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on December 3, 2014, Item #20, 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 C-1 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 contract price limitation and extend the contract completion date to support continued delivery of these services; 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, Block 1.7, Completion Date, to read:
June 30, 2018
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$400,000
3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:
Eric D. Borrin
4. Form P-37, General Provisions, Item 1.10, State Agency Telephone Number, to read:
(603) 271-9558
5. Exhibit B-1, Table Header, NH CARE Program Dental Fee Schedule 2014 – 2015, to read:
NH CARE Program Dental Fee Schedule
6. Delete Exhibit C, Special Provisions, and replace with Exhibit C Amendment #1, Special Provisions.
7. Delete Standard Exhibit G, Certification Regarding the Americans with Disabilities Act Compliance, and replace with Exhibit G – Amendment #1, 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

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,

4/25/16
Date

State of New Hampshire
Department of Health and Human Services

Marcella J. Bobinski
Name: Marcella J. Bobinski
Title: Acting Director

3/14/16
Date

Easter Seals New Hampshire, Inc.

Eli Meador
Name: Eli Meador
Title: CFO

Acknowledgement:

State of New Hampshire County of Hillsborough on March 14, 2016 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

Cynthia Ross
Name and Title of Notary or Justice of the Peace

CYNTHIA ROSS, Notary Public
Commission Expires March 12, 2019

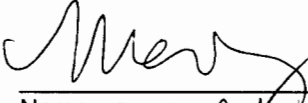
New Hampshire Department of Health and Human Services



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

OFFICE OF THE ATTORNEY GENERAL

Date 5/16/14


Name: Megan A. Lepp
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date _____

Name: _____
Title: _____



SPECIAL PROVISIONS

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

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

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New Hampshire Department of Health and Human Services
Exhibit C Amendment #1



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

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

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

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New Hampshire Department of Health and Human Services
Exhibit C Amendment #1



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

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

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

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

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

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

16. **Equal Employment Opportunity Plan (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



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

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

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

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

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

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

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

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

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

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

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New Hampshire Department of Health and Human Services
Exhibit C Amendment #1



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

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

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.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

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.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

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



**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- Amendment #1

Contractor Initials

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

New Hampshire Department of Health and Human Services
Exhibit G – Amendment #1



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 NEW HAMPSHIRE, INC.

3/14/16
Date

Elin Meador
Name: Elin Meador
Title: CFD

Exhibit G- Amendment #1

Contractor Initials EM

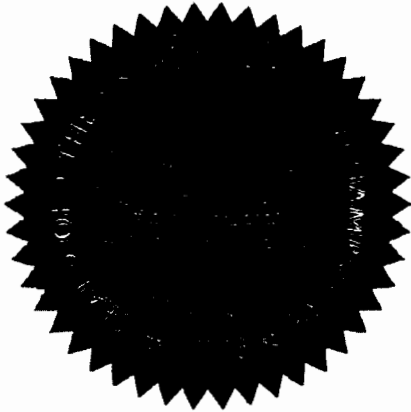
Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Date 3/14/16

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 13th day of April A.D. 2016

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE
(Corporation without Seal)

1. BETTY BUIKKE, do hereby certify that:
(Name of Clerk of the Corporation, cannot be contract signatory)

1. I am a duly elected Clerk of EASTER SEALS NEW HAMPSHIRE, INC.
(Corporation Name)

2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on APRIL 8, 2015:
(Date)

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

RESOLVED: That the CFO
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 14th day of MARCH, 2016.
(Date Contract Signed)

4. ELIN TREANOR is the duly elected
CFO
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.

Betty Buicke
(Signature of Clerk of the Corporation)

STATE OF NEW HAMPSHIRE

County of Alendrough

The forgoing instrument was acknowledged before me this 14th day of March, 2016.

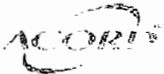
By Betty Buicke
(Name of Clerk of the Corporation)

Cynthia Ross
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires:

CYNTHIA ROSS, Notary Public
My Commission Expires March 12, 2019



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/28/2015

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 Hays Companies 133 Federal Street, 2nd Floor Boston MA 02110 INSURED Easter Seals New Hampshire, Inc 555 Auburn Street Manchester NH 03103 | | CONTACT NAME: Producer HOUSE PHONE (A/C, No, Ext): (617) 723-7775 FAX (A/C, No): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: United States Fire Insurance NAIC # 21113 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F: |
|---|--|--|

COVERAGES **CERTIFICATE NUMBER:** 16-17 WC **REVISION NUMBER:**

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

| INSR LTR | TYPE OF INSURANCE | ADDL SUBR INSD WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|---|-------------------------------------|---------------|-------------------------|-------------------------|---|
| | COMMERCIAL GENERAL LIABILITY CLAIMS-MADE OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: | | | | | EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Per occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$ |
| | AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS HIRED AUTOS SCHEDULED AUTOS NON-OWNED AUTOS | | | | | COMBINED SINGLE LIMIT (Per accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| | UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION \$ | | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| A | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | Y/N <input type="checkbox"/> N/A | 406-7196831 | 1/1/2016 | 1/1/2017 | X PER STATUTE OTH-ER E L EACH ACCIDENT \$ 1,000,000 E L DISEASE - EA EMPLOYEE \$ 1,000,000 E L DISEASE - POLICY LIMIT \$ 1,000,000 |

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

| | |
|---|---|
| CERTIFICATE HOLDER Department of Health & Human Services 129 Pleasant St. Concord, NH 03301 | CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Paula Hays-FORCUM |
|---|---|



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

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> |
|--|---------------------|-----------------------------------|-----------------------------------|--------------------|
| Public support and revenue: | | | | |
| Public support: | | | | |
| 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> |
| Total public support | 4,076,756 | (23,932) | 13,813 | 4,066,637 |
| Revenue: | | | | |
| 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> |
| Total revenue | <u>98,356,518</u> | <u>3,613</u> | <u>-</u> | <u>98,360,131</u> |
| Total public support and revenue | 102,433,274 | (20,319) | 13,813 | 102,426,768 |
| Operating expenses: | | | | |
| Program services: | | | | |
| 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> |
| Total program services | 90,532,191 | - | - | 90,532,191 |
| Supporting services: | | | | |
| Management and general | 9,419,570 | - | - | 9,419,570 |
| Fundraising | <u>2,006,939</u> | <u>-</u> | <u>-</u> | <u>2,006,939</u> |
| Total supporting services | <u>11,426,509</u> | <u>-</u> | <u>-</u> | <u>11,426,509</u> |
| Total functional expenses | 101,958,700 | - | - | 101,958,700 |
| Support of National programs | <u>122,586</u> | <u>-</u> | <u>-</u> | <u>122,586</u> |
| Total operating expenses | <u>102,081,286</u> | <u>-</u> | <u>-</u> | <u>102,081,286</u> |
| Increase (decrease) in net assets from operations | 351,988 | (20,319) | 13,813 | 345,482 |

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

(1) 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 decrease 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> |
|--------------------------------|---------------------|-----------------------------------|---|--|
| <u>2014</u> | | | | |
| 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> |
| <u>2013</u> | | | | |
| 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 42nd 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>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 | 366,744 | - | - | 366,744 |
| | <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 | 35,117 | - | - | 35,117 |
| | <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><u>\$(3,329,813)</u></u> | <u><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> | <u>August 31,</u> 2013 |
|---|--|---------------------------|
| Assets: | | |
| 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 |
| Liabilities and net assets: | | |
| 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> | <u>Year Ended</u> August 31, 2013 |
|---|--|--------------------------------------|
| 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, 2013 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 | <u>\$ -</u> | <u>\$ (20,310)</u> | <u>\$ (47,934)</u> | <u>\$ (26,735)</u> | <u>\$ (192,456)</u> | <u>\$ (307,640)</u> |

| | <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 | <u>\$ (37,595)</u> | <u>\$ (113,096)</u> | <u>\$ (454,230)</u> | <u>\$ (657,561)</u> | <u>\$ (741,944)</u> | <u>\$ 11,430</u> |

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 | 352,244 | 1,475 | 36,840 | 7,722 | - | - | 280,045 | - | 678,326 |
| 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 | 898,413 | - | - | 38,768 | - | - | 613,738 | - | 1,550,919 |
| | \$50,656,945 | \$1,707,636 | \$ 237,874 | \$ 251,101 | \$ 878,144 | \$ - | \$11,177,467 | \$ (7,014,255) | \$57,894,912 |

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

| | * New Hampshire | Vermont | Maine | Rhode Island | Harbor Schools, Inc. | Connecticut | New York | Elimi- nations | Total |
|--|---------------------|--------------------|-------------------|-------------------|----------------------------|---------------------|---------------------|-----------------------|---------------------|
| 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 | 523,287 | - | - | - | - | 114,000 | 159,003 | - | 796,290 |
| 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 | - | - | - | - | 3,191,386 | - | - | 4,218,053 |
| Other liabilities | 1,367,458 | - | - | - | - | - | - | - | 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 | 17,995,953 | - | - | - | - | 2,356,000 | 4,966,714 | - | 25,318,667 |
| 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 | 4,369,628 | - | - | 35,917 | 23,826 | 5,207,584 | 518,051 | - | 10,155,006 |
| 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 |
| | \$52,530,515 | \$1,617,851 | \$ 610,458 | \$ 246,912 | \$ 872,744 | \$12,935,450 | \$12,071,715 | \$ (9,571,137) | \$71,314,508 |

* 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) | 90,532,191 |

| | * New Hampshire | Vermont | Maine | Rhode Island | Harbor Schools, Inc. | Connecticut | New York | Elimi- nations | 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 | 18,651,555 | 1,589,567 | (2,265,011) | 178,108 | 277,691 | 5,353,123 | 2,063,118 | - | 25,848,151 |
| 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 | Total |
|--|--------------------|------------------|------------------|------------------|----------------------------|------------------|-------------------|--------------------|-------------------|
| 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 | 108,362 | - | 79,247 | 1,710 | - | 20,270 | 160,234 | - | 369,823 |
| 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 | 95,342 | 9,294 | 16 | 5,600 | - | 527,885 | 41,126 | - | 679,263 |
| Total revenue | 60,564,489 | 3,592,724 | 1,359,021 | 1,149,690 | - | 1,196,837 | 27,356,092 | (2,051,543) | 93,167,310 |
| 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 | 54,105,838 | 3,177,319 | 1,235,816 | 1,073,809 | - | 810,933 | 24,086,980 | (148,200) | 84,342,495 |
| 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

| | <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>Eliminations</u> | <u>Total</u> |
|--|------------------------|---------------------|---------------------|---------------------|-----------------------------|---------------------|----------------------|-----------------------|----------------------|
| 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 |
| | <u>\$ 63,255,540</u> | <u>\$ 3,510,033</u> | <u>\$ 1,426,605</u> | <u>\$ 1,315,002</u> | <u>\$ -</u> | <u>\$ 1,043,513</u> | <u>\$ 27,652,914</u> | <u>\$ (2,051,543)</u> | <u>\$ 96,152,064</u> |

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

2016 Easter Seals New Hampshire Board of Directors

| | | | |
|--|--|--|---|
| Chairman Andrew MacWilliam | Secretary Renee Walsh | Richard Rawlings | Sue MacDonald |
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| Bob Litterst | | | |
| Barry LaBombarde | | | |
| Leslie Thompson | | | |
| General Counsel & Assistant Secretary Bradford Cook (non-voting member) | | | |

Shannon M Farrell, DMD

Experienced Dental Clinician

- Maximizing value of people and resources in dental practices
- Ensuring effective use of plan resources within dental networks
- Accelerating practice growth through integration of varied dental services
- Motivating employees and building team culture by communicating business philosophy and goals

Experience and Accomplishments

Independent contractor
Gentle Dental of Tilton, NH
Dunbarton Family Dental
Dental Arts of Bedford

2009-present

Wellness Dental, Manchester NH

2006-3/2009

Clinical partner

Aspen Dental, West Springfield, MA

2003-2006

Managing Clinical Director

1st Advantage Dental, Northampton, MA

2002-2003(Nov-June)

Associate

NorthEast Dental, Manchester, CT

2001-2003

Chief Dentist

- Provide clinical and operational practice leadership for growth-oriented group dental Practice management firm with multiple locations.
- Provide clinical services, direct day-to-day practice operations and develop strategies for patient retention. Manage employees in practice administration, laboratory, dental services

P&R Dental Strategies, New York, New York

December 2000-July 2001

Consultant

- Performed independent clinical reviews of insurance claims from private general dental practices, including group practices, assuring quality and standard of dental care compliance for major insurance carriers throughout the United States.

Practice owner
Associate dentist

1995-2000
1989-1995

Education

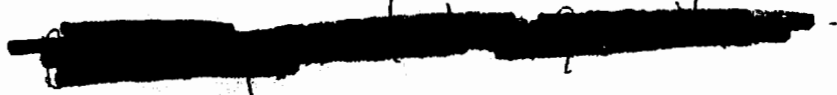
| | | |
|-------------|------------------|---|
| DMD | 1985-1989 | Tuft's University School of Dental Medicine, |
| | 1983-1985 | Columbia University |
| A.S. | 1980-1982 | University of Bridgeport, |
| | | Fones School of Dental Hygiene |
| CDA | 1977-1978 | Briarwood College |

Professional licensure and certifications

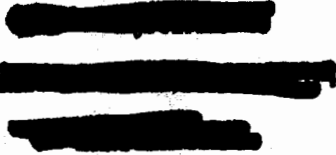
- Licensed Dentist: **MA, NY, CT(inactive) NH**
- Registered: **Federal DEA, MA Controlled substance**
- CPR professional certificate
- Advanced dental implantology, Branemark system
- Invisalign Certified
- Mini Implant Certified

Recognition

- Published: Journal of Prosthetic Dentistry-June, 1991



Bethany Isleib



Education:

Granite State College:

Bachelor's in Science of Psychology Current

NHTI:

Associates in Health Science May 2013

Certification in Dental Assisting May 2009

Work Experience:

Vachon Dental Current- Dec.2010

- Assist chairside in general dentistry
- Provide patient comfort and education to dental needs
- Fabrication of mouthguards, nightguards, implant stents, bleaching trays, and temporary crowns
- Responsible for sterilizing instruments, inventory, and all infection control protocol in the office including MSDS

3 Stone Dental Current- Feb.2012

- Secondary assistant responsible for restorative chairside procedures
- Provide patient comfort and education
- Responsibility for room preparation such as stocking and appropriate breakdown of the room

Skills:

- CPR certified
- DANB certified
- Knowledge of Practiceworks, Eaglesoft, and Softdent software
- Knowledge of Waterlase hard and soft tissue laser
- A willingness to learn all aspects of dentistry
- Radiology Certified digital and film

Reference:

Dr. Shannon Farrell (203) 641-4790

Dr. Jeffrey Vachon (603) 627-2092

Kara Malenfant

PROFILE

Experienced Dental Assistant with two years of experience seeking for a full time/part time job. Passes knowledge of Dentrix software, digital x-rays, and CEREC machine. CPR and radiology certified. Strong communication, organization, and anticipation skills. Ability to handle multiple tasks in a fast paced environment.

EDUCATION

Middlesex Community College
Lowell, MA

Associates in Science in Dental Assisting

May, 2013

Relevant Courses: Radiology, Preventive Dentistry, Dental Practice Management, Anatomy and Physiology

EXPERIENCE

Plaistow Dental

Plaistow, NH

General Dentist

2012-2013

- Work chair side as dentist examine and treat patients.
- Provided patient comfort and obtain their dental records.
- Hand instruments/materials to dentist and keep patients' mouth dry.
- Sterilize/disinfect instruments and equipment.
- Prepare patient procedures.
- Take impressions and pouring models.
- Make digital FMX, PA, bite wings.
- Schedule patient appointments.
- Present patient oral after care instructions.

BayState Oral Surgery

Haverhill, MA

Oral and Maxillofacial Dentist

2012-2012

Internship

- Assists with dental surgeries.
- Sterilized/disinfect instruments and equipment.
- Made PA and PANO x-rays.
- Call insurance companies.
- Schedule patient appointments.

Lawrence/

- Present patient oral after care instructions.

Bradford Orthodontics

Bradford, MA

Orthodontic Dentist

2012-2012

Internship

- Transferred instruments.
- Prepared dental materials.
- Taking bite registrations, impressions and pouring models.
- Sterilize/disinfect instruments and operatory.
- Bracket set up.
- Separator placement.
- Tooth preparation.
- Wire removal and placement.
- Presented patient oral after care instructions.

Ellen Therrien

Education:

New Hampshire Community Technical Institute
Associate's Degree of Science in Dental Hygiene

Concord NH September 2006- May 2009
Graduated 5/15/2009

Honors, SADHA Community Service Member

Licensure and Credentials:

- New Hampshire Registered Dental Hygienist License
 - Northeast Regional Board Certified
 - New Hampshire Local Anesthesia License
 - CPR Certified

Professional Experience:

Easter Seals Dental Center

Manchester, NH August 2009-Present

Dental Hygienist

- Provide initial and recall patient care, oral prophylaxis, routine radiographs, treatment planning, sealants, oral hygiene instruction, dental and periodontal charting with Dextrix, accurate record keeping, sterilization, ordering supplies, strict adherence to OSHA safety guidelines.
- Treatment of wide variety of patients including those with special needs, disabilities, and the elderly.

Dr. Hoerlter

Manchester, NH August 2013-Present

Dental Hygienist

Moo's Place Homemade Ice Cream

Derry, NH April 2004- Oct 2010

Manager

- Oversee and supervise staff, customer service, interview and train new employees, cash control, open/close facility
- Respond to and resolve customer complaints, inventory control
- Handle multiple tasks in a fast paced environment maintaining clean working environment

Relevant Experience:

Merrimack Valley High School

Penacook, NH Spring 2009

Dental Hygiene-Externship

- Performed complete prophylaxis on adolescents, mentored youths on care and prevention of oral disease and overall systemic health
- Demonstrated proper homecare for effective plaque removal, complete and accurate documentation of procedures performed

New Hampshire Department of Corrections

Concord, NH Winter 2008

Dental Hygiene-Externship

- Performed complete prophylaxis on inmates, gave guidance and education on utilization of available oral health aids at correctional facility

Dental Hygiene Clinic - New Hampshire Community Technical Institute Concord, NH 2007-2009

- Complete prophylaxis, sealants, local anesthesia, digital radiographs, impressions, scheduling, use of Dextrix

Community Service:

- ↳ Special Olympic Dental Screenings at UNH
- ↳ Dental Health Education for preschoolers
- ↳ Oral Health Fair at Rockingham County Nursing Home
- ↳ Oral Health Presentations for 5th Graders
- ↳ Volunteer Children's Clinic at NHTI, Concord N.H

References furnished upon request

Marina Houlihan

PROFESSIONAL OBJECTIVE

I am a hard-working, organized dental assistant with a professional demeanor and excellent communication skills. I have been taught and strive to maintain a stress free office environment for all patients. I am motivated to uphold the highest expectations of my superiors.

SKILLS

- CPR certified
- HIPPA compliance
- OSHA compliance
- DANB Radiology certified
- Enthusiastic Team Player
- Critical Thinking
- Dental Terminology
- Stress Reduction Protocol
- Patient Oriented
- Recognition of common drug interactions and oral disease

WORK HISTORY

Dental Assistant

Epsom/ Penacook Family Dental Care-

Dr. Beth Cowie DDS

Dr. Steven Calawa DDS

- Extractions
- Sealants
- Impressions
- Flexibility assisting multiple doctors in overflow operatories
- Management of materials and instruments between 2 offices
- Treatment planning
- Restorative
- Empathizing with patients from pediatric to geriatrics
- Worked as a team member with a large

Dental Assistant

Davis Square Dental Group-

Dr. Lee DMD

- Dental inventory
- Clinical notes
- Sterilization
- Zoom Whitening
- Taking and preparing impressions for lab pick up
- Fabricating temporary crowns
- Sealants
- Assisted the doctor in all procedures
- Restorative

Dos Amigos Burritos

Concord, NH

- Shift leader at busy, well patronized, local establishment
- Answering phones
- Customer service

References Available upon request

EDUCATION

Fryeburg Academy

Fryeburg, Maine

Diploma, 2011

New Hampshire Technical Institute

Concord, New Hampshire

Health Science Degree, 2015

Easter Seals New Hampshire, Inc.

Key Personnel

| Name | Job Title | Salary | % Paid from this Contract | Amount Paid from this Contract |
|--------------------|-------------------------------|-----------|---------------------------|--------------------------------|
| Larry Gammon | President/CEO | \$352,452 | 0% | \$ 0 |
| Elin Treanor | CFO | \$240,000 | 0% | \$ 0 |
| Tina Sharby | Chief Human Resources Officer | \$140,000 | 0% | \$ 0 |
| Christina Lachance | VP Children's Services | \$95,000 | 0% | \$ 0 |
| Shannon Farrell | Dentist | \$135,000 | | FFS - as required |
| Bethany Islieb | Dental Assistant | \$37,440 | | FFS - as required |
| Kara Malenfant | Dental Assistant | \$37,440 | | FFS - as required |
| Ellen Therrien | Dental Hygienist | \$67,213 | | FFS - as required |
| Susan Ryan | COO | \$165,000 | 0% | |
| Marina Houlihan | Dental Assistant | \$29,952 | | FFS - as required |
| | | | | |

4/20

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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN
SERVICES



Nicholas A. Toumpas
Commissioner

29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-3958 1-800-852-3345 Ext. 3958
Fax: 603-271-4934 TDD Access: 1-800-735-2964

José Thier Montero
Director

September 30, 2014

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 of Public Health Services, to establish a list of dentists, with the ability to expand said list to include additional interested dental contractors to provide necessary dental treatment for clients enrolled in the New Hampshire Ryan White CARE Program. No maximum client or service volume is guaranteed. Accordingly, the price limitation among all Agreements is \$100,000 each State Fiscal Year for a total of \$200,000. The Agreements are effective date of Governor and Executive Council approval through June 30, 2016.

100% Other Funds

| VENDOR | LOCATION |
|---|----------------|
| Easter Seals New Hampshire, Inc. | Manchester, NH |
| Tri-County Community Action Program, Inc. | Berlin, NH |

Funds are available in the following account for SFY 2015, and are anticipated to be available in SFY 2016 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust encumbrances between State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, PHARMACEUTICAL REBATES

| Fiscal Year | Class/Account | Class Title | Job Number | Total Amount |
|-------------|---------------|--------------|--------------|------------------|
| SFY 2015 | 530-500371 | Drug Rebates | 90024608 | \$100,000 |
| SFY 2016 | 530-500371 | Drug Rebates | 90024608 | \$100,000 |
| | | | Total | \$200,000 |

EXPLANATION

This requested action seeks approval of two (2) of seven (7) agreements that will ensure the provision of dental treatment and other oral health services to New Hampshire residents living with Human Immunodeficiency Virus (HIV), statewide that are enrolled in the New Hampshire Ryan White CARE Program. The licensed Dentists will provide dental treatment and other oral health services to enrolled clients, on an individual, case-by-case, as needed basis. The Department anticipates that the remaining (5) five agreements will be presented at an upcoming Governor and Executive Council meeting.

The New Hampshire Ryan White CARE Program receives funding from the Health Resources and Services Administration (HRSA), Ryan White HIV/AIDS Program, Part B for medical services, oral health, and home health care services. HRSA funding is in accordance with the Ryan White HIV/AIDS Treatment Extension Act of 2009. The intent of the legislation and federal funding is to assure access to care for financially eligible individuals living with HIV/AIDS. A recipient of federal funding, the New Hampshire Ryan White CARE Program is subject to the federal mandate to implement contractual agreements with all service providers and to maintain nationally accepted fiscal, programmatic, and monitoring standards established by HRSA. Federal regulation also requires that Ryan White CARE Program funds be used as a "payer of last resort".

Should Governor and Executive Council not authorize this Request, federal regulations and monitoring standards will not be met and eligible New Hampshire residents living with HIV with immediate oral health needs and without access to care will not receive prevention and treatment for dental conditions. The services in this Contract will promote the goals of the National HIV/AIDS Strategy and maintain a continuum of care in order to reduce HIV related health disparities and the occurrence of negative health outcomes. The program currently provides services to approximately 450 to 500 clients statewide.

A Request for Applications was posted on the Department of Health and Human Services' web site on April 4, 2014 to solicit dentists to provide dental services to New Hampshire Ryan White CARE program clients. In addition, an email was sent to twelve (12) known dental providers for Ryan White Part B services on April 4, 2014, notifying them that a Request for Application was posted. Seven (7) applications were received from licensed dentists, and were approved for funding. Two (2) of the seven (7) Dentists are listed on Attachment 1.

As referenced in the Request for Application and in exhibit C-1, Revisions to General Provisions, this Agreement has the option to extend for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
September 30, 2014
Page 3

The performance of this program will be measured by the number of New Hampshire Ryan White CARE Program clients that actually receive dental services.

The geographic area to be served is statewide.

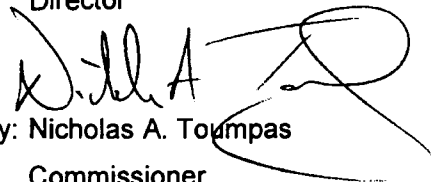
Source of Funds: 100% ^{Other} ~~Federal~~ Funds from the Pharmaceutical Rebates.

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

Respectfully submitted,



José Thier Montero, MD, MHCDS
Director



Approved by: Nicholas A. Toumpas
Commissioner

Attachment 1

Department of Health and Human Services

Division of Public Health Services

New Hampshire Ryan White CARE Program

Licensed Dentist List

SFY 2015/2016

The following is an initial list of Dentists that agree to provide dental treatment and other oral health services to clients enrolled in the New Hampshire Ryan White CARE Program (NH CARE Program). Additional Dentists may be added in the future as needed.

| List of Licensed Dentists | |
|---|----------------|
| Dentist | Address |
| Easter Seals New Hampshire, Inc. | Manchester, NH |
| Tri-County Action Community Program, Inc. | Berlin, NH |



Attachment 2

| NH CARE Program Dental Fee Schedule 2014 - 2015 | | |
|---|---|--------|
| Code | Procedure | Fee |
| D0120 | Periodic oral evaluation | 41.00 |
| D0140 | Limited oral evaluation | 60.00 |
| D0150 | Comprehensive oral evaluation | 62.00 |
| D0210 | Intraoral-complete series | 96.00 |
| D0220 | Intraoral-Periapical 1st film | 15.00 |
| D0230 | Intraoral-Periapical each additional | 10.00 |
| D0270 | Bitewings - Xray | 17.00 |
| D0272 | Bitewings - two films | 25.00 |
| D0274 | Bitewings - four films | 45.00 |
| D0330 | Panoramic film | 83.00 |
| D1110 | Prophylaxis adult | 85.00 |
| D1120 | Prophylaxis child | 38.00 |
| D2140 | Amalgam - 1 surface | 150.00 |
| D2150 | Amalgam - 2 surface | 155.00 |
| D2160 | Amalgam - 3 surface | 180.00 |
| D2161 | Amalgam - 4/4+ surface | 200.00 |
| D2330 | Resin-1 surface anterior | 131.00 |
| D2331 | Resin-2 surface anterior | 143.00 |
| D2332 | Resin-3 surface anterior | 147.00 |
| D2335 | Resin-4/4+ surface anterior | 165.00 |
| D2391 | Resin-1 surface posterior | 150.00 |
| D2392 | Resin-2 surface posterior | 155.00 |
| D2393 | Resin-3 surface posterior | 180.00 |
| D2394 | Resin-4/4+ surface posterior | 200.00 |
| D2940 | Sedative Filling | 75.00 |
| D4341 | Scaling and root planing (per quadrant) | 100.00 |
| D4355 | Full mouth debridement | 90.00 |
| D4910 | Periodontal Maintenance | 120.00 |
| D5110 | Complete denture-maxillary | 800.00 |
| D5120 | Complete denture-mandibular | 800.00 |
| D5130 | Immediate denture-maxillary | 875.00 |
| D5140 | Immediate denture-mandibular | 875.00 |
| D5211 | Maxillary partial-resin base | 600.00 |
| D5212 | Maxillary partial-resin base | 600.00 |



Attachment 2

| | | |
|-------|--|----------|
| D5213 | Max partial-cast metal w/resin | 1,300.00 |
| D5214 | Mand partial-cast metal w/resin | 1,200.00 |
| D5410 | Adjust complete denture, maxillary | 50.00 |
| D5411 | Adjust complete denture, mandibular | 50.00 |
| D5421 | Adjust partial denture, maxillary | 50.00 |
| D5422 | Adjust partial denture, mandibular | 50.00 |
| D5520 | Replace denture teeth | 127.00 |
| D5670 | Replace All Teeth/Acrylic on cast metal framework\$359 | 359.00 |
| D5750 | Reline complete maxillary denture | 244.00 |
| D5751 | Reline complete mandibular denture | 244.00 |
| D7140 | Extraction-erupted/exposed | 150.00 |
| D7210 | Extraction-surgical-imp bony | 225.00 |
| D7240 | Removal of Impacted Tooth | 348.00 |
| D7310 | Alveoloplasty - per quaddrant | 275.00 |
| D7472 | Removal of torus palatinus Mandibular - 2 quadrants | 400.00 |
| D5760 | Reline maxillary parital denture | 99.00 |
| D5761 | Reline mandibular partial denture | 99.00 |
| D9110 | Palliative Tx of Dental Pain | 33.00 |
| D9220 | Gen anesthesia (first 30 minutes) | 100.00 |
| D9221 | Gen anesthesia (each additional 15 minutes) | 40.00 |
| D9241 | Intravenous Conscious Sedation/first 30 min | 100.00 |
| D9242 | Intravenous Conscious Sedation/ea add'l 30 min | 40.00 |
| D9310 | Dental Consultation | 68.00 |
| D9612 | Parenteral Drug Injection (\$77 each) | 77.00 |
| D9940 | Mouth Guard | 110.00 |
| | <i>Additional services may be approved by DHHS on a case by case basis</i> | |
| | R:\OCPH\FCH\STDHIV\Group\CARE Program\Policy & Procedures\Dental | |


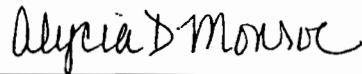
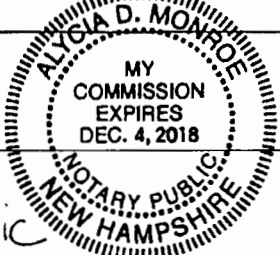
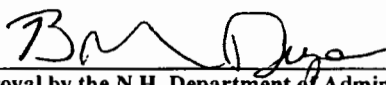
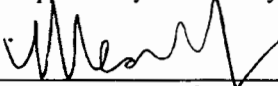
Subject: New Hampshire Ryan White CARE Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

| | | | |
|--|---|--|--|
| 1.1 State Agency Name NH Department of Health and Human Services | | 1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857 | |
| 1.3 Contractor Name Easter Seals NH, Inc. | | 1.4 Contractor Address 555 Auburn Street Manchester, NH 03103 | |
| 1.5 Contractor Phone Number 603-623-8863 | 1.6 Account Number 05-95-90-902010-5240-102-500731- 05-95-90-902510-2229-530-500371 | 1.7 Completion Date June 30, 2016 | 1.8 Price Limitation \$200,000 |
| 1.9 Contracting Officer for State Agency Brook Dupee, Bureau Chief | | 1.10 State Agency Telephone Number 603 271 4483 | |
| 1.11 Contractor Signature  | | 1.12 Name and Title of Contractor Signatory Elin Treanor, COO/CFO | |
| 1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>6/24/14</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12. | | | |
| 1.13.1 Signature of Notary Public or Justice of the Peace [Seal]  | |  | |
| 1.13.2 Name and Title of Notary or Justice of the Peace Alycia D. Monroe, Notary Public | | | |
| 1.14 State Agency Signature  | | 1.15 Name and Title of State Agency Signatory Brook Dupee, Bureau Chief | |
| 1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____ | | | |
| 1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Megan A. Yule - Attorney On: <u>11/10/14</u> | | | |
| 1.18 Approval by the Governor and Executive Council By: _____ On: _____ | | | |

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

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

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

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

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

7. PERSONNEL.

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

Contractor Initials: 

Date: 06/24/2014

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: 6/18/2004

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

1. Program Name: New Hampshire Ryan White CARE Program

1.1. Purpose:

The purpose of this agreement is to perform necessary dental treatment for clients enrolled in the New Hampshire Ryan White CARE Program (NH CARE Program). The goal of the NH CARE Program is to provide financial assistance for necessary dental treatment and other oral health services, to uninsured and underinsured New Hampshire (NH) residents living with Human Immunodeficiency Virus (HIV), statewide.

2. Provision of Services:

- 2.1. The Contractor shall act as a representative of the NH CARE Program to provide preventive and restorative dental care to uninsured and underinsured NH CARE Program clients.
- 2.2. The Contractor shall provide services to enrolled NH CARE Program clients only; services provided outside of enrollment periods will not be reimbursed.
- 2.3. The Contractor shall refer clients to their Medical Case Manager as needed to re-enroll in the NH CARE Program.
- 2.4. The Contractor shall invoice NH CARE Program for services using a health insurance claim form or reasonable facsimile; additional invoicing methods may be approved by the NH CARE Program.
- 2.5. The Contractor shall invoice NH CARE Program according to the NH CARE Program Dental Fee Schedule; request approval for additional services through the Contract Monitor.
- 2.6. The Contractor shall participate in an annual site visit with NH CARE Program staff.
- 2.7. The Contractor shall provide client level data as requested by the NH CARE Program, for the completion of annual reports to the Health Resources and Services Administration (HRSA).
- 2.8. The Contractor shall maximize billing to NH Medicaid and private dental insurance. The NH CARE Program shall be the payer of last resort and will only reimburse services for uninsured and under insured clients.

3. Licensing Requirements:

Dentist(s) performing services under this agreement must possess a current dental license issued by the State of New Hampshire Board of Dental Examiners.

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Exhibit A

4. Dental providers shall adhere to the NH CARE Program Standards of Care for Oral Health Services, and all applicable Programmatic, Fiscal and Universal Monitoring Standards, as documented by the HRSA:

- <http://hab.hrsa.gov/manageyourgrant/files/programmonitoringpartb.pdf>
- <http://hab.hrsa.gov/manageyourgrant/files/fiscalmonitoringpartb.pdf>
- <http://hab.hrsa.gov/manageyourgrant/files/universalmonitoringpartab.pdf>

5. The Department of Health and Human Services reserves the right to discontinue this agreement should it discover any abridgment of the above partner agreements that jeopardize the intent of this agreement.

6. Entire Agreement:

The following documents are incorporated by reference into this Agreement and they constitute the entire Agreement between the State and the Contactor. General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit B-1 Dental Fee Schedule, Exhibit C Special Provisions, Exhibit C-1 Additional special Provisions, Exhibit D Cortication Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability Accountability Act Business Associate Agreement, and Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict of contradiction between or among the Agreement Documents, the documents shall control in the above order of precedence.

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Exhibit B

Method and Conditions Precedent to Payment

1. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Bureau of Infectious Disease Control shall reimburse the Contractor for actual dental service(s) provided by the contractor to enrolled NH CARE Program clients. Reimbursement shall be based on the NH CARE Program Dental Fee Schedule identified in Exhibit B-1.
2. Price Limitation. This Agreement is one of multiple Agreements that will serve NH Ryan White CARE Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
3. Notwithstanding anything to the contrary herein, the Contractor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services have not been satisfactorily completed in accordance with the terms and conditions of this Agreement.
4. The funding source for this Agreement for Dental Services is 100% Other Funds from the Pharmaceutical Rebates.
5. Contract dentists shall complete and submit a Dental Claim invoice, due within 30 days. Completed invoice must be submitted to:

NH CARE Program
Bureau of Infectious Disease Control
Department of Health and Human Services
Division of Public Health
29 Hazen Drive
Concord, NH 03301
Fax: 603-271-4934
6. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available. Contractor will keep detailed records of their dental services related to Department of Health and Human Services funded programs and services.
7. Dentists are accountable to meet the scope of services. Failure to meet the scope of services may jeopardize the funded Dentist's current and/or future funding. Corrective action may include actions such as a contract amendment or termination of the contract.



Exhibit B-1

| NH CARE Program Dental Fee Schedule 2014 - 2015 | | |
|---|---|--------|
| Code | Procedure | Fee |
| D0120 | Periodic oral evaluation | 41.00 |
| D0140 | Limited oral evaluation | 60.00 |
| D0150 | Comprehensive oral evaluation | 62.00 |
| D0210 | Intraoral-complete series | 96.00 |
| D0220 | Intraoral-Periapical 1st film | 15.00 |
| D0230 | Intraoral-Periapical each additional | 10.00 |
| D0270 | Bitewings - Xray | 17.00 |
| D0272 | Bitewings - two films | 25.00 |
| D0274 | Bitewings - four films | 45.00 |
| D0330 | Panoramic film | 83.00 |
| D1110 | Prophylaxis adult | 85.00 |
| D1120 | Prophylaxis child | 38.00 |
| D2140 | Amalgam - 1 surface | 150.00 |
| D2150 | Amalgam - 2 surface | 155.00 |
| D2160 | Amalgam - 3 surface | 180.00 |
| D2161 | Amalgam - 4/4+ surface | 200.00 |
| D2330 | Resin-1 surface anterior | 131.00 |
| D2331 | Resin-2 surface anterior | 143.00 |
| D2332 | Resin-3 surface anterior | 147.00 |
| D2335 | Resin-4/4+ surface anterior | 165.00 |
| D2391 | Resin-1 surface posterior | 150.00 |
| D2392 | Resin-2 surface posterior | 155.00 |
| D2393 | Resin-3 surface posterior | 180.00 |
| D2394 | Resin-4/4+ surface posterior | 200.00 |
| D2940 | Sedative Filling | 75.00 |
| D4341 | Scaling and root planing (per quadrant) | 100.00 |
| D4355 | Full mouth debridement | 90.00 |
| D4910 | Periodontal Maintenance | 120.00 |
| D5110 | Complete denture-maxillary | 800.00 |
| D5120 | Complete denture-mandibular | 800.00 |
| D5130 | Immediate denture-maxillary | 875.00 |
| D5140 | Immediate denture-mandibular | 875.00 |
| D5211 | Maxillary partial-resin base | 600.00 |
| D5212 | Maxillary partial-resin base | 600.00 |

Contractor Initials

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Date

6/24/2014



Exhibit B-1

| | | |
|-------|--|----------|
| D5213 | Max partial-cast metal w/resin | 1,300.00 |
| D5214 | Mand partial-cast metal w/resin | 1,200.00 |
| D5410 | Adjust complete denture, maxillary | 50.00 |
| D5411 | Adjust complete denture, mandibular | 50.00 |
| D5421 | Adjust partial denture, maxillary | 50.00 |
| D5422 | Adjust partial denture, mandibular | 50.00 |
| D5520 | Replace denture teeth | 127.00 |
| D5670 | Replace All Teeth/Acrylic on cast metal framework\$359 | 359.00 |
| D5750 | Reline complete maxillary denture | 244.00 |
| D5751 | Reline complete mandibular denture | 244.00 |
| D7140 | Extraction-erupted/exposed | 150.00 |
| D7210 | Extraction-surgical-imp bony | 225.00 |
| D7240 | Removal of Impacted Tooth | 348.00 |
| D7310 | Alveoloplasty - per quadrant | 275.00 |
| D7472 | Removal of torus palatinus Mandibular - 2 quadrants | 400.00 |
| D5760 | Reline maxillary partial denture | 99.00 |
| D5761 | Reline mandibular partial denture | 99.00 |
| D9110 | Palliative Tx of Dental Pain | 33.00 |
| D9220 | Gen anesthesia (first 30 minutes) | 100.00 |
| D9221 | Gen anesthesia (each additional 15 minutes) | 40.00 |
| D9241 | Intravenous Conscious Sedation/first 30 min | 100.00 |
| D9242 | Intravenous Conscious Sedation/ea add'l 30 min | 40.00 |
| D9310 | Dental Consultation | 68.00 |
| D9612 | Parenteral Drug Injection (\$77 each) | 77.00 |
| D9940 | Mouth Guard | 110.00 |
| | <i>Additional services may be approved by DHHS on a case by case basis</i> | |
| | R:\OCPH\FCH\STDHIV\Group\CARE Program\Policy & Procedures\Dental | |

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SPECIAL PROVISIONS

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

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

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

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

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

New Hampshire Department of Health and Human Services
Exhibit C



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

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

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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:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

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.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

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.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

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



REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
 4. **CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.

2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
 - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
 - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
 - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
 - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
 - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

3. **Extension:**

This agreement has the option for a potential extension of up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

4. **Insurance:**

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 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 and umbrella liability coverage in the amount of \$15,000,000 per occurrence.



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

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New Hampshire Department of Health and Human Services
Exhibit D



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

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

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

Contractor Name: Easter Seals NH, Inc.

6/24/04
Date

Elin Melnick
Name: Elin Melnick
Title: COO/CFO



CERTIFICATION REGARDING LOBBYING

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

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

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

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

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

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

Contractor Name: Easter Seals NH, Inc.

6/24/2014
Date

Elin Merdon
Name: Elin Merdon
Title:



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

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

INSTRUCTIONS FOR CERTIFICATION

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

ET

12/24/04



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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

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

Contractor Name: Easter Seals NH, Inc.

6/24/2014
Date

Elin Melan
Name: *Elin Melan*
Title: *COO/CEO*

ET

6/24/2014




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.

Contractor Name: Easter Seals NH, Inc.

6/24/04
Date


Name: Elnor Mearns
Title: COO CFO



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Contractor Name: Easter Seals NH, Inc.

10/24/2014
Date

[Signature]
Name:
Title: Exec. Director
COO/CEO



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Exhibit I – Health Insurance Portability and Accountability Act, Business Associate Agreement does not apply to this contract.

ET

6/24/2014



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

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

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

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

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

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

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

Contractor Name: Easter Seals NH, Inc.

6/24/2014
Date

Elin Meenan
Name: Elin Meenan
Title: COO/ CFO



FORM A

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

1. The DUNS number for your entity is: 085573467
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO YES

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

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

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

NO YES

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

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

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

| | |
|-------------|---------------|
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the
NH Ryan White CARE Program Dental Treatment and Oral Health Services Contract**

This first Amendment to the NH Ryan White CARE Program Dental Treatment and Oral Health Services Contract, (hereinafter referred to as "Amendment #1") dated this 25th day of January, 2016, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Families First of the Greater Seacoast (hereinafter referred to as "the Contractor") a nonprofit corporation with a place of business located at 100 Campus Dr., Suite 12, Portsmouth, NH 03801.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on July 22, 2015, Item #25, 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 C-1 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 contract price limitation and extend the contract completion date to support continued delivery of these services; 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, Block 1.7, Completion Date, to read:
June 30, 2018
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$300,000
3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:
Eric D. Borrin
4. Form P-37, General Provisions, Item 1.10, State Agency Telephone Number, to read:
(603) 271-9558
5. Exhibit B-1, Table Header, NH CARE Program Dental Fee Schedule 2014 – 2015, to read:
NH CARE Program Dental Fee Schedule



New Hampshire Department of Health and Human 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,

4/30/16
Date

State of New Hampshire
Department of Health and Human Services
Marcella J. Bobinsky
Name: Marcella J. Bobinsky
Title: Acting Director

2/10/16
Date

Families First of the Greater Seacoast
Helen B. Taft
Name: Helen B. Taft
Title: Executive Director

Acknowledgement:

State of NH, County of Rockingham on 2/10/16, 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

Luzanne Combs
Name and Title of Notary or Justice of the Peace

Expires 12/19/18



New Hampshire Department of Health and Human Services

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

OFFICE OF THE ATTORNEY GENERAL

5/16/14
Date

[Signature]
Name: Megan A. Yopp
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

State of New Hampshire
Department of State

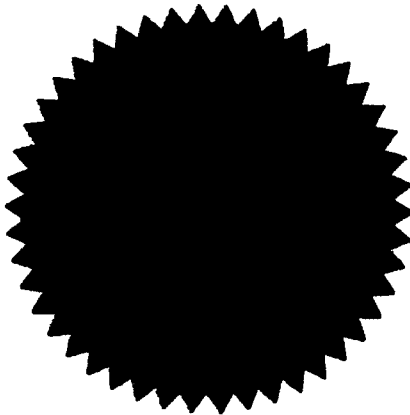
CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FAMILIES FIRST OF THE GREATER SEACOAST is a New Hampshire nonprofit corporation formed August 28, 1986. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.

In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 5th day of April A.D. 2016



William M. Gardner
Secretary of State



CERTIFICATE OF VOTE

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

1. I am a duly elected Officer of Families First of the Greater Seacoast.
(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 2/10/16:
(Date)

RESOLVED: That the Executive Director
(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 10th day of February, 2016.
(Date Contract Signed)

4. Helen B. Taft is the duly elected Executive Director
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Linda Sanborn
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Rockingham

The forgoing instrument was acknowledged before me this 10th day of February, 2016.

By Linda Sanborn
(Name of Elected Officer of the Agency)

Suzanne Coombs
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 12/19/18



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/8/2016

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

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

| | | |
|---|--|--------------------------------------|
| PRODUCER Tobey & Merrill Insurance 20 High Street Hampton NH 03842-2214 | CONTACT NAME: Edward Jackson PHONE (A/C, No, Ext): (603) 926-7655 E-MAIL ADDRESS: edward@tobeymerrill.com | FAX (A/C, No): (603) 926-2135 |
| | INSURER(S) AFFORDING COVERAGE | |
| INSURED Families First of the Greater Seacoast 100 Campus Dr Ste 12 Suite 12 Portsmouth NH 03801 | INSURER A: Peerless Indemnity | NAIC # 18333 |
| | INSURER B: Peerless Insurance Company | 24198 |
| | INSURER C: | |
| | INSURER D: | |
| | INSURER E: | |
| | INSURER F: | |

COVERAGES

CERTIFICATE NUMBER: CL161804090

REVISION NUMBER:

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

| INSR LTR | TYPE OF INSURANCE | ADDL SUBR INSD WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS | |
|----------|---|--------------------|---------------|-------------------------|-------------------------|---|--------------|
| A | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER | | BOP8358757 | 12/29/2015 | 12/29/2016 | EACH OCCURRENCE | \$ 2,000,000 |
| | | | | | | DAMAGE TO RENTED PREMISES (Ea occurrence) | \$ 50,000 |
| | | | | | | MED EXP (Any one person) | \$ 5,000 |
| | | | | | | PERSONAL & ADV INJURY | \$ 2,000,000 |
| | | | | | | GENERAL AGGREGATE | \$ 4,000,000 |
| | | | | | | PRODUCTS - COMP/OP AGG | \$ 4,000,000 |
| | | | | | | Employee Benefits | \$ |
| | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | | | | | COMBINED SINGLE LIMIT (Ea accident) | \$ |
| | | | | | | BODILY INJURY (Per person) | \$ |
| | | | | | | BODILY INJURY (Per accident) | \$ |
| | | | | | | PROPERTY DAMAGE (Per accident) | \$ |
| | | | | | | | \$ |
| B | <input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000 <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE | | CU8353458 | 12/29/2015 | 12/29/2016 | EACH OCCURRENCE | \$ 1,000,000 |
| | | | | | | AGGREGATE | \$ 1,000,000 |
| | | | | | | | \$ |
| B | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y <input checked="" type="checkbox"/> N If yes, describe under DESCRIPTION OF OPERATIONS below | N/A | WC5055429 | 12/29/2015 | 12/29/2016 | PER STATUTE | |
| | | | | | | OTH-ER | |
| | | | | | | E.L. EACH ACCIDENT | \$ 1,000,000 |
| | | | | | | E.L. DISEASE - EA EMPLOYEE | \$ 1,000,000 |
| | | | | | | E.L. DISEASE - POLICY LIMIT | \$ 1,000,000 |

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

CERTIFICATE HOLDER

DHHS
129 Pleasant St
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Dean Merrill CIC/JLM

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Families First

support for families...health care for all

Mission Statement

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

Vision Statement

We envision a strong community that provides fully for the health and well-being of all its members.

Guiding Principles

Families First will:

- offer a broad array of health and family services to meet evolving community needs;
- meet a standard of excellence in all services;
- ensure that no one is turned away due to inability to pay;
- treat clients respectfully and with concern for dignity;
- integrate services wherever possible;
- partner with other organizations to help realize our vision.

Families First

of the Greater Seacoast

Financial Report

June 30, 2014

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| Notes to Financial Statements | 11 |



Accessible
Approachable
Accountable

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Families First of the Greater Seacoast (a nonprofit organization) which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Macpage LLC

80 Long Creek Drive, South Portland, ME 04106-2157 | 207-774-5700 | 207-774-2055 fax | www.mcpagel.com
700 Market Street, Bangor, ME 04410-3637 | 207-622-4700 | 207-622-6515 fax
One South Street, Suite 505, Portland, ME 04101-3053 | 207-774-4040 | 406-929-0280 fax

mcpagel.com



To the Board of Directors
Families First of the Greater Seacoast

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families First of the Greater Seacoast as of June 30, 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.

Magpage LLC

South Portland, Maine
December 9, 2014

Statements of Financial Position

June 30,

| | 2014 | 2013 |
|---|---------------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| Cash (note 2) | \$ 172,728 | \$ 74,547 |
| Cash, fiscal agent (note 9) | 195 | 195 |
| Grants receivable (note 3) | 117,416 | 67,300 |
| Accounts receivable, (notes 1 and 4) | 175,066 | 131,560 |
| Current portion of pledges receivable (notes 1 and 5) | 237,990 | 336,748 |
| Other receivables (note 6) | 2,776 | 26,820 |
| Prepaid expenses | 31,035 | 15,133 |
| Total Current Assets | <u>737,206</u> | <u>652,103</u> |
| Cash, restricted for capital purposes | <u>227,720</u> | |
| Pledges Receivable, net of current portion (notes 1 and 5) | <u>370,000</u> | |
| Property and Equipment, Net (notes 1 and 7) | <u>282,850</u> | <u>247,992</u> |
| Investments | | |
| Endowment (notes 8 and 19) | 1,537,015 | 1,392,530 |
| Board designated | 780 | 66,360 |
| Total Investments | <u>1,537,795</u> | <u>1,458,890</u> |
| Total Assets | <u>\$ 3,155,571</u> | <u>\$ 2,358,985</u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Line of credit | \$ 243,849 | |
| Accounts payable | 118,956 | \$ 85,519 |
| Accrued expenses | 312,264 | 287,904 |
| Amount due, fiscal agent (note 9) | 195 | 195 |
| Deferred revenue | 11,780 | 24,476 |
| Total Current Liabilities | <u>685,044</u> | <u>398,094</u> |
| Net Assets | | |
| Unrestricted | (7,062) | 177,628 |
| Temporarily restricted (notes 8 and 12) | 1,276,902 | 583,076 |
| Permanently restricted (notes 8 and 13) | 1,200,687 | 1,200,187 |
| Total Net Assets | <u>2,470,527</u> | <u>1,960,891</u> |
| Total Liabilities and Net Assets | <u>\$ 3,155,571</u> | <u>\$ 2,358,985</u> |

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

Statements of Activities

Year Ended June 30, 2014

PUBLIC SUPPORT AND REVENUES:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|--|------------------|------------------------|------------------------|------------------|
| Public Support | | | | |
| Contributions | \$ 1,222,353 | \$ 1,672,895 | \$ 500 | \$ 2,895,548 |
| Grants and contracts | 992,590 | | | 992,590 |
| Total public support | <u>2,214,943</u> | <u>1,672,895</u> | <u>500</u> | <u>3,888,138</u> |
| Revenues | | | | |
| Patient service revenue (note 11) | 1,623,471 | | | 1,623,471 |
| Provision for bad debt | (37,860) | | | (37,860) |
| Net patient service revenue | <u>1,585,611</u> | | | <u>1,585,611</u> |
| Investment income - endowment (note 8) | 899 | 26,990 | | 26,990 |
| Investment income - board designated | | 176,668 | | 176,668 |
| Gain on investments - endowment (note 8) | 4,545 | | | 4,545 |
| Gain on investments - board designated | 43,752 | | | 43,752 |
| Miscellaneous | | | | |
| Total revenue | <u>1,634,807</u> | <u>203,668</u> | | <u>1,838,465</u> |
| Public support and revenues | <u>3,849,750</u> | <u>1,876,353</u> | <u>500</u> | <u>5,726,603</u> |

Net Assets Released from Restrictions

| | | | | |
|--|------------------|----------------|-----|------------------|
| | 1,182,527 | (1,182,527) | | |
| | | | 500 | |
| | <u>5,032,277</u> | <u>693,826</u> | | <u>5,726,603</u> |

TOTAL PUBLIC SUPPORT AND REVENUES

EXPENSES

| | | | | |
|------------------------|------------------|--|--|------------------|
| Program services | 4,511,400 | | | 4,511,400 |
| Management and general | 527,250 | | | 527,250 |
| Fundraising | 178,317 | | | 178,317 |
| Total expenses | <u>5,216,967</u> | | | <u>5,216,967</u> |

CHANGE IN NET ASSETS

| | | | | |
|--|-----------|---------|-----|---------|
| | (184,690) | 693,826 | 500 | 509,636 |
|--|-----------|---------|-----|---------|

NET ASSETS, BEGINNING OF YEAR

| | | | | |
|--|---------|---------|-----------|-----------|
| | 177,628 | 583,076 | 1,200,187 | 1,960,891 |
|--|---------|---------|-----------|-----------|

NET ASSETS, END OF YEAR

| | | | | |
|--|-------------------|---------------------|---------------------|---------------------|
| | <u>\$ (7,062)</u> | <u>\$ 1,276,902</u> | <u>\$ 1,200,687</u> | <u>\$ 2,470,527</u> |
|--|-------------------|---------------------|---------------------|---------------------|

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

Statements of Activities - Continued

Year Ended June 30, 2013

PUBLIC SUPPORT AND REVENUES:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|--|------------------|------------------------|------------------------|------------------|
| Public Support | | | | |
| Contributions | \$ 1,404,161 | \$ 640,797 | | \$ 2,044,958 |
| Grants and contracts | 940,575 | | | 940,575 |
| Total public support | <u>2,344,736</u> | <u>640,797</u> | | <u>2,985,533</u> |
| Revenues | | | | |
| Patient service revenue (note 11) | 1,577,353 | | | 1,577,353 |
| Provision for bad debt | (43,860) | | | (43,860) |
| Net patient service revenue | <u>1,533,493</u> | | | <u>1,533,493</u> |
| Investment income - endowment (note 8) | 2,322 | 42,953 | | 42,953 |
| Investment income - board designated | | 135,824 | | 135,824 |
| Gain on investments - endowment (note 8) | 1,630 | | | 1,630 |
| Gain on investments - board designated | 82,505 | | | 82,505 |
| Miscellaneous | <u>1,619,950</u> | <u>178,777</u> | | <u>1,798,727</u> |
| Total revenue | <u>3,964,686</u> | <u>819,574</u> | | <u>4,784,260</u> |
| Public support and revenues | <u>654,433</u> | <u>(654,433)</u> | | <u>0</u> |
| Net Assets Released from Restrictions | | | | |
| | 4,619,119 | 165,141 | | 4,784,260 |
| TOTAL PUBLIC SUPPORT AND REVENUES | | | | |

EXPENSES

| | | | | |
|-------------------------------|-------------------|-------------------|---------------------|---------------------|
| Program services | 4,365,565 | | | 4,365,565 |
| Management and general | 540,959 | | | 540,959 |
| Fundraising | 157,595 | | | 157,595 |
| Total expenses | <u>5,064,119</u> | | | <u>5,064,119</u> |
| CHANGE IN NET ASSETS | (445,000) | 165,141 | | (279,859) |
| NET ASSETS, BEGINNING OF YEAR | 622,628 | 417,935 | \$ 1,200,187 | 2,240,750 |
| NET ASSETS, END OF YEAR | <u>\$ 177,628</u> | <u>\$ 583,076</u> | <u>\$ 1,200,187</u> | <u>\$ 1,960,891</u> |

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

Statements of Cash Flows

Years ended June 30,

| | 2014 | 2013 |
|---|---------------------------------|--------------------------------|
| Cash flows from operating activities | | |
| Change in net assets | <u>\$ 509,636</u> | <u>\$ (279,859)</u> |
| Adjustments to reconcile change in net assets to net cash flows from operating activities: | | |
| Depreciation expense | 72,007 | 98,920 |
| Contribution for capital purposes | (339,980) | |
| Gain on investments | (181,213) | (137,454) |
| Provision for bad debt | 37,860 | 43,860 |
| (Increase) decrease in operating assets: | | |
| Cash, fiscal agent | | 3,000 |
| Grants receivable | (50,116) | (7,035) |
| Accounts receivable | (81,366) | (41,318) |
| Pledges receivable | (271,242) | (29,435) |
| Other receivable | 23,844 | 26,378 |
| Prepaid expenses | (15,902) | 5,016 |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | 31,437 | 21,602 |
| Accrued expenses | 24,360 | 63,240 |
| Amount due, fiscal agent | | (3,000) |
| Deferred revenue | (12,696) | (89,098) |
| Total adjustments | <u>(763,007)</u> | <u>(45,324)</u> |
| Net cash flows from operating activities | <u>(253,371)</u> | <u>(325,183)</u> |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | (106,865) | (10,188) |
| Purchase of investments | (1,666,920) | |
| Proceeds from sale of investments | 1,769,228 | 8,420 |
| Net cash flows from investing activities | <u>(4,557)</u> | <u>(1,766)</u> |
| Cash flows from financing activities: | | |
| Net borrowings from line of credit | 243,849 | |
| Contribution received for capital purposes | 339,980 | |
| Net cash provided by financing activities | <u>583,829</u> | |
| Net change in cash and cash equivalents | 325,901 | (326,949) |
| Cash and cash equivalents at beginning of year | <u>74,547</u> | <u>401,496</u> |
| Cash and cash equivalents at end of year (includes cash restricted for capital purposes) | <u><u>\$ 400,448</u></u> | <u><u>\$ 74,547</u></u> |
| Supplemental disclosure of cash flow information: | | |
| Interest paid during year | \$ 4,410 | |

Statements of Functional Expenses

Year Ended June 30, 2014

| | Health Services | | |
|----------------------------------|---------------------|-------------------|-------------------|
| | Primary Care | Dental | Homeless |
| Salaries | \$ 1,526,223 | \$ 522,216 | \$ 519,374 |
| Payroll taxes/benefits | 246,147 | 80,166 | 71,685 |
| Professional fees/contract labor | 129,376 | 16,820 | 57,381 |
| Medical/laboratory costs | 128,080 | 58,731 | 29,531 |
| Physicians/dentists | 108,742 | 36,213 | 51,106 |
| Office | 19,844 | 11,146 | 47,935 |
| Miscellaneous | 21,006 | 3,458 | 5,597 |
| Travel | 3,510 | 886 | 23,553 |
| Conferences | 5,648 | 2,702 | 6,706 |
| Dues/publications | 7,718 | 1,354 | 1,470 |
| Depreciation | 7,341 | 23,298 | 18,432 |
| Rent (note 15) | 62,027 | 11,143 | 5,200 |
| Telephone | 5,569 | 771 | 3,465 |
| Postage | 361 | 6 | 6 |
| Insurance | 8,500 | 2,362 | 3,979 |
| Printing | 2,864 | 981 | 908 |
| Computer operations | 53,146 | 18,397 | 21,551 |
| Flexible funds | | | |
| Program expenses | 50,589 | 4,742 | 7,369 |
| | <u>\$ 2,386,691</u> | <u>\$ 796,392</u> | <u>\$ 873,248</u> |

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

Statements of Functional Expenses - Continued

Year Ended June 30, 2014

| | Family Services | Total Program | Management and General | Fundraising | Total |
|----------------------------------|-------------------|---------------------|------------------------|-------------------|---------------------|
| Salaries | \$ 258,228 | \$ 2,826,041 | \$ 332,598 | \$ 132,576 | \$ 3,291,213 |
| Payroll taxes/benefits | 44,320 | 442,308 | 47,962 | 25,262 | 515,532 |
| Professional fees/contract labor | 37,225 | 240,902 | 22,479 | 24 | 263,305 |
| Medical/laboratory costs | 2 | 216,344 | | | 218,344 |
| Physicians/dentists | | 196,061 | | | 196,061 |
| Office | 13,158 | 92,083 | 22,134 | 3,532 | 117,749 |
| Miscellaneous | 728 | 30,789 | 32,207 | 4,657 | 67,653 |
| Travel | 14,351 | 42,310 | 3,020 | 288 | 45,628 |
| Conferences | 337 | 15,393 | 548 | | 15,941 |
| Dues/publications | 493 | 11,035 | 7,833 | 50 | 18,918 |
| Depreciation | 216 | 47,287 | 24,720 | | 72,007 |
| Rent (note 15) | 45,437 | 123,806 | | | 123,806 |
| Telephone | 3,971 | 13,476 | 475 | | 13,951 |
| Postage | 4 | 377 | 20,567 | 1,486 | 22,430 |
| Insurance | 1,500 | 16,341 | 8,404 | | 25,745 |
| Printing | 402 | 5,155 | 592 | 9,040 | 14,787 |
| Computer operations | 9,130 | 103,225 | 2,263 | 377 | 105,865 |
| Flexible funds | 24,460 | 24,460 | | | 24,460 |
| Program expenses | 1,407 | 64,107 | 450 | 1,015 | 65,572 |
| | <u>\$ 455,069</u> | <u>\$ 4,511,400</u> | <u>\$ 527,250</u> | <u>\$ 178,317</u> | <u>\$ 5,216,967</u> |

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

Statements of Functional Expenses

Year Ended June 30, 2013

| | Health Services | | |
|----------------------------------|---------------------|-------------------|-------------------|
| | Primary Care | Dental | Homeless |
| Salaries | \$ 1,443,761 | \$ 482,291 | \$ 405,383 |
| Payroll taxes/benefits | 261,220 | 83,953 | 53,403 |
| Professional fees/contract labor | 127,444 | 17,482 | 62,463 |
| Medical/laboratory costs | 121,902 | 70,854 | 28,352 |
| Physicians/dentists | 170,970 | 28,710 | 33,538 |
| Office | 15,862 | 8,210 | 55,195 |
| Miscellaneous | 10,242 | 1,979 | 272 |
| Travel | 3,107 | 608 | 21,655 |
| Conferences | 10,587 | 824 | 883 |
| Dues/publications | 5,322 | 2,370 | 1,606 |
| Depreciation | 8,458 | 25,453 | 17,212 |
| Rent (note 15) | 63,613 | 9,424 | 3,634 |
| Telephone | 4,456 | 650 | 811 |
| Postage | 436 | 6 | 3 |
| Insurance | 38,883 | 8,058 | 5,665 |
| Printing | 3,274 | 480 | 405 |
| Computer operations | 58,889 | 14,049 | 14,701 |
| Flexible funds | | | |
| Program expenses | 49,054 | 5,949 | 6,361 |
| | <u>\$ 2,397,480</u> | <u>\$ 761,460</u> | <u>\$ 709,441</u> |

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

Statements of Functional Expenses - Continued

Year Ended June 30, 2013

| | Family Services | Total Program | Management and General | Fundraising | Total |
|----------------------------------|-------------------|---------------------|------------------------|-------------------|---------------------|
| Salaries | \$ 278,483 | \$ 2,608,918 | \$ 318,984 | \$ 121,609 | \$ 3,050,511 |
| Payroll taxes/benefits | 51,340 | 448,926 | 52,532 | 17,925 | 520,383 |
| Professional fees/contract labor | 40,185 | 247,574 | 33,988 | | 281,642 |
| Medical/laboratory costs | | 219,108 | | | 219,108 |
| Physicians/dentists | | 233,218 | | | 233,218 |
| Office | 14,135 | 93,402 | 20,110 | 2,641 | 116,153 |
| Miscellaneous | 505 | 12,998 | 25,577 | 638 | 39,213 |
| Travel | 14,135 | 38,505 | 2,384 | 316 | 42,215 |
| Conferences | 1,607 | 14,001 | 994 | 2,893 | 17,888 |
| Dues/publications | 380 | 9,677 | 8,556 | 1,065 | 19,298 |
| Depreciation | 436 | 51,559 | 47,361 | | 98,920 |
| Rent (note 15) | 41,231 | 117,802 | | | 117,802 |
| Telephone | 3,363 | 9,280 | 766 | | 10,046 |
| Postage | 11 | 456 | 18,126 | 1,138 | 19,720 |
| Insurance | 6,523 | 59,129 | 7,089 | | 66,228 |
| Printing | 860 | 5,019 | 1,206 | 7,639 | 13,864 |
| Computer operations | 13,109 | 100,748 | 2,907 | 727 | 104,382 |
| Flexible funds | 25,756 | 25,756 | | | 25,756 |
| Program expenses | 5,125 | 66,489 | 379 | 1,004 | 67,872 |
| | <u>\$ 497,184</u> | <u>\$ 4,365,565</u> | <u>\$ 540,959</u> | <u>\$ 157,595</u> | <u>\$ 5,084,119</u> |

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

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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

Basis of Presentation

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

Use of Estimates

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

Net Patient Service Revenue

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

Charity Care

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

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Grants and Contracts

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

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

Deferred Revenue

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

Contributions

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

An allowance for uncollectible pledges is provided based on historical experience and management's evaluation of outstanding pledges at the end of each year. As of June 30, 2014 and 2013, the allowance for uncollectible unconditional promises to give was \$2,000, respectively.

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

Investment Income

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

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

Cash and Cash Equivalents

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

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2014 and 2013, the allowance for doubtful accounts was \$51,984 and \$52,289, respectively.

In evaluating the collectability of accounts receivable, the Organization analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Organization records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Organization's allowance for doubtful accounts for self-pay patients was increased from 48% of self-pay accounts receivable at June 30, 2013, to 51% of self-pay accounts receivable at June 30, 2014. In addition, the Organization's self-pay write-offs decreased \$8,000 from \$43,860 for fiscal year 2013 to \$37,860 for fiscal year 2014. Both were the result of positive trends experienced in the collection of amounts from self-pay patients in fiscal year 2014. The Organization has not changed its charity care or uninsured discount policies during fiscal years 2014 and 2013. The Organization does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors.

Property and Equipment

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

Investments

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

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

Endowment Policy

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

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investment Objectives

- The Finance Committee of the Board of Directors has authorized the investment advisor to invest in portfolios of equity securities, fixed income securities, and short-term (cash) investments.
- Within the fixed income portfolio, the majority of assets should be investment grade or better, with below investment grade exposure not to exceed 15%.
- Endowment funds designated for restriction by the Board of Directors will maintain a mix of 20%-40% equity securities, 10%-35% fixed income securities, and 0%-20% short-term investments. Donor restricted funds will maintain a mix of 10%-35% equity securities, 65%-80% fixed income securities, and 0%-20% short-term investments.
- The investment advisor will maintain reasonable diversification at all times. Equity positions of any one company may not exceed 5% of the portfolio, nor shall the portfolio have more than 25% of the entire portfolio in any one sector.
- The Finance Committee will meet with the investment advisor no less than annually to review performance, investment objectives, and asset allocation.

Spending Policy

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

Income Taxes

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

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that required adjustment to the financial statements. When necessary, the Organization accounts for interest and penalties related to uncertain tax positions as part of its provision for federal and state income taxes. The Organization does not expect that unrecognized tax benefits arising from tax positions will change significantly within the next 12 months. The Organization is subject to U.S. federal and state examinations by tax authorities for years ended June 30, 2011 through June 30, 2014.

Functional Expenses

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

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value Measurements

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

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

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

For the years ended June 30, 2014 and 2013, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Investment Securities

The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument (see note 19).

NOTE 2 – CASH AND CASH EQUIVALENTS

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

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 3 – GRANTS RECEIVABLE

Grants receivable as presented on the statements of financial position represent payment due on grants from state and federal agencies and other organizations and are considered fully collectible by management as of June 30, 2014 and 2013.

NOTE 4 – ACCOUNTS RECEIVABLE

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

| | 2014 | 2013 |
|--------------------------------------|-------------------------|-------------------------|
| Medicaid | \$ 80,870 | \$ 44,717 |
| Medicare | 26,615 | 26,174 |
| Private insurance | 51,126 | 37,850 |
| Patients | 65,062 | 70,978 |
| Other | <u>3,377</u> | <u>4,130</u> |
| | 227,050 | 183,849 |
| Less allowance for doubtful accounts | <u>(51,984)</u> | <u>(52,289)</u> |
| | <u>\$175,066</u> | <u>\$131,560</u> |

NOTE 5 – PLEDGES RECEIVABLE

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

| | 2014 | 2013 |
|---|-------------------------|-------------------------|
| Unrestricted bequest | \$350,000 | |
| Unrestricted pledges | 259,990 | \$338,248 |
| Endowment pledges | - | 500 |
| | <u>609,990</u> | <u>338,748</u> |
| Less allowance for uncollectible promises to give | <u>(2,000)</u> | <u>(2,000)</u> |
| | <u>\$607,990</u> | <u>\$336,748</u> |
| Amounts due in: | | |
| Less than one year | \$239,990 | \$338,748 |
| One to five years | <u>370,000</u> | - |
| | <u>\$609,990</u> | <u>\$338,748</u> |

The discount rate was not material and, therefore, not applied in 2014 or 2013.

NOTE 6 – OTHER RECEIVABLES

The Organization renders services to individuals who are beneficiaries of the Federal Medicare and Medicaid programs. Charges for services to beneficiaries of these programs were billed to the Medicare and Medicaid intermediary. Settlements for differences between the interim rates paid by Medicare and the Organization's actual cost for rendering care are based on annual cost report filings. The estimated amounts due to or from Medicare are reflected in the accompanying financial statements as other receivables and are recorded as an increase or decrease to patient service revenue in the year the related care is rendered. Any adjustments to the estimates are recorded as adjustments to patient service revenue in the year of final determination. For years prior to July 1, 2011, the Organization was also required to file Medicaid cost reports. All outstanding Medicaid cost settlements are final.

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 7 – PROPERTY AND EQUIPMENT

The following summarizes property and equipment at June 30:

| | 2014 | 2013 |
|--------------------------------|------------------|------------------|
| Equipment | \$722,325 | \$615,461 |
| Furniture and fixtures | 44,178 | 44,178 |
| Leasehold improvements | <u>179,031</u> | <u>179,031</u> |
| | 945,534 | 838,670 |
| Less: accumulated depreciation | <u>(662,684)</u> | <u>(590,678)</u> |
| | <u>\$282,850</u> | <u>\$247,992</u> |

NOTE 8 – INVESTMENTS – ENDOWMENT

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

Investments are reported at their fair value and consist of the following at June 30:

| | 2014 | 2013 |
|----------------------|--------------------|--------------------|
| Money Market Funds | \$ 151,671 | |
| Mutual funds - other | <u>1,385,344</u> | \$1,392,530 |
| | <u>\$1,537,015</u> | <u>\$1,392,530</u> |

Endowment net assets by type of fund are as follows:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Totals |
|-------------------------------------|--------------|---------------------------|---------------------------|--------------------|
| June 30, 2014 | | | | |
| Donor restricted endowment funds | | <u>\$336,494</u> | <u>\$1,200,521</u> | <u>\$1,537,015</u> |
| June 30, 2013 | | | | |
| Donor restricted endowment funds | | <u>\$192,509</u> | <u>\$1,200,021</u> | <u>\$1,392,530</u> |

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 8 – INVESTMENTS - ENDOWMENT – CONTINUED

Changes in endowment net assets for the year ended June 30, 2014 are as follows:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Totals |
|--------------------|--------------|------------------------|------------------------|--------------------|
| Beginning of year | | \$ 192,509 | \$1,200,021 | \$1,392,530 |
| Investment return: | | | | |
| Additions | | | 500 | 500 |
| Investment income | | 26,990 | | 26,990 |
| Net gains | | 178,668 | | 176,668 |
| Release of funds | | (59,673) | - | (59,673) |
| Totals | | <u>\$338,494</u> | <u>\$1,200,521</u> | <u>\$1,537,015</u> |

Changes in endowment net assets for the year ended June 30, 2013 are as follows:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Totals |
|--------------------|--------------|------------------------|------------------------|--------------------|
| Beginning of year | | \$ 67,427 | \$1,200,021 | \$1,267,448 |
| Investment return: | | | | |
| Additions | | 1,000 | | 1,000 |
| Investment income | | 42,953 | | 42,953 |
| Net gains | | 135,824 | | 135,824 |
| Release of funds | | (54,695) | - | (54,695) |
| Totals | | <u>\$192,509</u> | <u>\$1,200,021</u> | <u>\$1,392,530</u> |

NOTE 9 – AMOUNT DUE – FISCAL AGENT

The Organization acts as fiscal agent for fundraisers supporting the Billy Cheverie Memorial Scholarship Fund. During the year ended June 30, 2013, the Organization had received \$6,000 from event proceeds and had paid \$9,000 in scholarships, donations, and other administrative expenses. There was no activity during the year ended June 30, 2014. The remaining \$195 as of June 30, 2014 and 2013, respectively, is included in the statements of financial position as a current asset (cash, fiscal agent) and current liability (amount due, fiscal agent).

NOTE 10 – LINE OF CREDIT

The Organization has a \$250,000 commercial line of credit with TD Bank. The interest rate is variable at the Wall Street Journal prime rate (3.25% at June 30, 2014 and 2013, respectively) until May 23, 2015. The line is secured by all business assets of the Organization excluding the permanently restricted funds. Balance due on the line at June 30, 2014 was \$243,849.

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 11 – CLIENT SERVICE REVENUE

The Organization recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. It recognizes significant amounts of patient service revenue at the time services are rendered even though it does not assess the patient's ability to pay. For uninsured patients who do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Accordingly, the Organization records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Patient service revenue, net of contractual allowances and discounts, recognized in the period from these major payor sources, is as follows:

| | 2014 | 2013 |
|-------------------------------|--------------------|--------------------|
| Gross patient service charges | \$3,320,218 | \$3,135,768 |
| Contractual adjustments | (218,033) | (205,230) |
| Charity care | (1,478,714) | (1,353,185) |
| Patient service revenue | <u>\$1,623,471</u> | <u>\$1,577,353</u> |

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

Charity care is measured based on services provided at established rates but is not included in patient service revenue. Costs and expenses incurred in providing these services are included in operating expenses. The Organization determines the costs associated with providing charity care by calculating a ratio of costs to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. Under this methodology, the estimated costs of caring for charity care patients for the years ended June 30, 2014 and 2013 were approximately \$1,971,000 and \$1,830,000, respectively. Charges for services rendered to individuals from whom payment is expected and ultimately not received are charged off to provision for bad debt.

NOTE 12 – TEMPORARILY RESTRICTED NET ASSETS

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

| | 2014 | 2013 |
|---------------------------------|--------------------|------------------|
| Unrestricted pledges receivable | \$607,990 | \$337,248 |
| Endowment gains | 336,494 | 192,509 |
| Dental and homeless programs | 24,038 | 29,598 |
| Mobile medical clinic | 234,118 | |
| Other | <u>74,262</u> | <u>23,721</u> |
| | <u>\$1,276,902</u> | <u>\$583,076</u> |

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 13 – PERMANENTLY RESTRICTED NET ASSETS

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

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

NOTE 14 – DONATED SERVICES

The Organization received various donated supplies and services during the years ended June 30, 2014 and 2013. Donated supplies and services are recorded at their estimated fair values on the date of receipt. In-kind contributions are included in contributions in the statements of activities and in-kind expenses are included in the corresponding functional expense line in the statements of functional expenses. Donated supplies and services consisted of the following for the years ended June 30:

| | 2014 | 2013 |
|--|------------------|------------------|
| Professional physician and dental services | \$ 59,256 | \$ 56,313 |
| Medical supplies and vaccines | 106,969 | 136,320 |
| Volunteer services | <u>99,169</u> | <u>92,407</u> |
| | <u>\$265,394</u> | <u>\$285,040</u> |

NOTE 15 – LEASES

The Organization rents space for all its programs under terms of a three year lease. Monthly rent was \$10,009 for the first four months of the current year; the monthly rent increased to \$10,471 for the remainder of the current year, and rent paid was \$123,806 and \$117,802 for the years ended June 30, 2014 and 2013, respectively. The current lease term expires on October 31, 2015. Lease expense includes a charge per square foot for utilities and housekeeping services.

The Organization leases office equipment under terms of noncancellable operating leases expiring at various times. Lease expenses, included in office expense, were \$14,203 and \$11,762 during the years ended June 30, 2014 and 2013, respectively.

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

| | |
|------|-----------------|
| 2015 | \$43,980 |
| 2016 | 2,342 |
| 2017 | 2,342 |
| 2018 | 2,342 |
| 2019 | <u>1,756</u> |
| | <u>\$52,762</u> |

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 16 – PENSION PLAN

The Organization sponsors a defined contribution 401(k) plan for all eligible employees. Employer discretionary contributions are funded at a percentage of eligible employees' salaries. The Organization did not incur expenses under the plan for the years ended June 30, 2014 and 2013.

NOTE 17 – FUNCTIONAL EXPENSES

The Organization's principle programs are as follows:

Primary Care Program

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

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

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

Dental Program

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

Homeless Program

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

Family Support Programs

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

Family Resource and Support (DCYF)

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

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 18 – RISKS AND UNCERTAINTIES

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

NOTE 19 – FAIR VALUE MEASUREMENT

Fair values of assets measured on a recurring basis at June 30, 2014 are as follows:

| Fair Value | Fair Value Measurements at Reporting Date Using | | |
|--------------------|---|--------------------|-----------|
| | (Level 1) | (Level 2) | (Level 3) |
| Money Market Funds | \$ 152,451 | \$ 152,451 | |
| Bond Funds | 419,574 | 419,574 | |
| Equity Funds | <u>965,770</u> | <u>965,770</u> | |
| Totals | <u>\$1,537,795</u> | <u>\$1,537,795</u> | |

Fair values of assets measured on a recurring basis at June 30, 2013 are as follows:

| Fair Value | Fair Value Measurements at Reporting Date Using | | |
|--|---|------------------|------------------|
| | (Level 1) | (Level 2) | (Level 3) |
| Problend Conservative Term Series Fund | \$ 200,963 | \$156,107 | \$ 44,856 |
| Problend Maximum Term Series Fund | 474,600 | 354,724 | 119,876 |
| Problend Extended Term Series Fund | <u>783,327</u> | <u>374,210</u> | <u>409,117</u> |
| Totals | <u>\$1,458,890</u> | <u>\$885,041</u> | <u>\$573,849</u> |

NOTE 20 – COMMITMENT LIABILITY

A contract to purchase a vehicle has been signed totaling approximately \$270,000 for a mobile medical clinic. The remaining commitment at June 30, 2014 was approximately \$160,000.

NOTE 21 – EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 9, 2014, the date the financial statements were available to be issued.

Families First

FY2016 Board of Directors

| | First | Name | Board Position |
|----|--------------|----------------|-----------------------|
| 1 | Linda | Sanborn, CPA | Chair |
| 2 | Tom | Newbold | Vice Chair |
| 3 | Kristen | Hanley | Secretary |
| 4 | Mike | Burke, CPA | Treasurer |
| 5 | Karin | Barndollar | |
| 6 | Barbara | Henry | |
| 7 | Jack | Jamison | |
| 8 | Jo | Jordon | |
| 9 | Josephine | Lamprey | |
| 10 | Patricia | Locuratolo, MD | |
| 11 | David | McNicholas | |
| 12 | John | Pelletier | |
| 13 | Kerri | Ruggiero | |
| 14 | Mary | Schleyer | |
| 15 | Kathy | Scheu | |
| 16 | Dan | Schwarz, Esq. | |
| 17 | Peter | Whitman | |

CURRICULUM VITAE

JOHN FITZSIMONS, DMD, MMS

100 Campus Dr. Suite 12, Portsmouth, NH 03801 | (603) 422-8208

PROFESSIONAL EXPERIENCE

Families First Health and Support Center, Portsmouth, NH

Staff Dentist, July 2012-Present

Penobscot Community Health Care General Practice Residency, Bangor, ME

PGY-1, General Practice Resident July 2011- July2012

Fifty patient contact hours per week, comprehensive clinical care in an ambulatory setting

Emphasis on diagnosis & treatment of acute dental emergencies, endodontics, and oral surgery

Specialty Training: (1-2 days/ month, Direct Supervision by Specialist)

Periodontics: Osseous Grafting, & Placement of Dental Implants (Nobel Biocare, Camlog)

Oral Surgery: Surgical Extractions, Soft Tissue & Partial Boney Impactions, Biopsies

Orthodontics: Interceptive Orthodontic Treatment, Rapid Palatal Expansion, Lip Bumpers

Prosthodontics: Removable and Fixed Prosthesis, Restoration of Nobel and Camlog Implants

Clinical Rotations (Eastern Maine Medical Center, St. Joseph's Hospital)

Anesthesiology: Airway Maintenance & Intubation (BVM, LMAs & ET tubes)

Family Medicine: (Observation) Management of Chronic Pain & Illness, Health Promotion

Pediatric Medicine: (Independent) Diagnosis Respiratory Illness, AOM, cultures, health promotion wellness visits

Pediatric Dentistry: Pediatric treatment with the Lutheran Pediatric Dentistry Program

Emergency Medicine: Diagnosis, management acute dental emergencies at Eastern Maine Medical Center E.R. Observation of non-dental acute emergencies.

Togus Veterans Hospital Dental Externship, Augusta, ME January 2010-March 2010

Pre-doctoral Dental Externship (10 weeks)

Brigham and Women's Hospital, Brookside Dental Center, Jamaica Plain, MA

BU (APEX Program) Applied Professional Experience I (Ten Weeks) May 2007-July2007

BU (APEX Program) Applied Professional Experience II (Ten Weeks) January 2008-March 2008

EDUCATION

Boston University Henry M. Goldman School of Dental Medicine

Doctor of Dental Medicine, *cum laude* 2011

Master of Medical Sciences, Division of Dental Public Health 2011

Thesis: "Comparative Efficacy of Xylitol Delivery Systems in Caries Prevention"

First Reader: Ana Karina Mascarenhas, DPH, MPH, BDS (President American Academy Dental Public Health)

Boston University College of Arts & Sciences

Bachelor of Arts, Psychology, Minor Chemistry, Class of 2002

LICENSURE AND CERTIFICATION

Licensed to Practice in the State of New Hampshire (NH, 03907) July 2013-Present
Licensed to Practice in the State of Maine (DEN4197) June 2011-Present
(ACLS) Advanced Certification in Life Support, June 2012
Nitrous Oxide Sedation (ADA Accredited Course, National Certification) Anticipated June 2012
Invisalign Certification Part I March 2008
Credentialed, Eastern Maine Medical Center, Bangor, ME July 2011
Credentialed, St. Joseph's Hospital, Bangor, ME March 2012
Joint Commission of Dental Examiners, Part I, II Feb 2008, Mar 2010
Western Regional Board Exam (WREB) April 2010
Northeast Regional Board (NERB) Diagnostic Skills Exam (DSE) March 2011

Teaching Experience

Kaplan Test Preparation & Admissions, Inc., Cambridge, MA Jan 2005-Dec. 2009
Teacher, DAT, OAT, SAT
Contributing Author, Kaplan Medical Inc. (NBDE Part I,II Question Bank) 2010
Boston University Department of Psychology 2001-2002
Teacher's Assistant, Introductory Course PS 101

INVITATIONAL PUBLIC SPEAKING/ PRESENTATIONS

Maine Veterans Home, Department of Veterans Affairs, Bangor, Maine
Speaker, Oral Health/Intra-Oral Exams for Healthcare Providers February 2012
Robert Wood Johnson Foundation Summer Pipeline Program, Boston University 2010,2009,2008
Speaker, Dental Admissions Test and the Admissions Process
Northeast Association of Advisors to Health Professions Meeting, Portland, ME April 2005
Speaker, Dental Admissions Testing and the Application Process

COMMUNITY SERVICE/ VOLUNTEER EXPERIENCE

Caring Hands of Maine, Back to School Smile Day, Ellsworth, ME 2011
Project White Coat, Boston University School of Dental Medicine 2010
Partners for Rural Health in the Dominican Republic 2006

MEMBERSHIPS

(AGD) American Academy of General Dentistry- Maine Chapter- Member 347859 2012-Present
(ASDA) American Dental Student Association 2007-2012

References & Continuing Education Available Upon Request

A.J. Homicz, DDS, FAGD

100 Campus Drive, Suite 12, Portsmouth, NH 03801

(603) 422-8208

EDUCATION

Cornell University

School of Arts and Sciences, 1963-1967, A.B. – Biological Sciences

Columbia University

School of Dental and Oral Surgery, 1967-1971, D.D.S

Member, Omicron Kappa Upsilon (academic honorary society)

PROFESSIONAL

Families First Health and Support Center, Portsmouth, NH

Dental Director (volunteer position), 2003-present

Private Practice

General Practice, Antrim, NH, 1973-2005

United States Navy

Portsmouth Naval Shipyard, 1971-1973, Lt., Dental Corps

AWARDS, HONORS AND FELLOWSHIPS

BiState Primary Care Association President's Award, 2005

Outstanding contribution to assuring health care to vulnerable populations

Fellowship, Academy of General Dentistry, 1997

Fellowship, American College of Dentists, 2003

Fellowship, International College of Dentists, 2005

Greater Manchester Leadership Council Award – 2005

Recognition for leadership in improving oral health in the community

Watch Your Mouth Champion – 2006

Achievement in regional oral health awareness campaign

PROFESSIONAL ORGANIZATIONS & COMMITTEES

American Association of Public Health Dentistry

American Dental Association

Delegate, 2002, 2003, 2004

Reference Committee, 2004

Council on Access, Prevention & Interprofessional Relations, 2007-Present

Academy of General Dentistry

Coalition for NH Oral Health Action

Chair, 2006-2008

National Network for Oral Health Access

New Hampshire Dental Society

President, 2004-2005

Chair, Task Force on Access, 2003-2008

Chair, Give Kids a Smile, 2003, 2004

Nii Norte Lokko, DMD
100 Campus Dr. Suite 12
Portsmouth, NH 03801
(603) 422-8208

Work Experience

Families First Health & Support Center 2/2009 to present
Portsmouth, NH
General Dentist

Community Dental Care of Claremont 2009 to present
Claremont, NH
General Dentist

Allcare Dental and Dentures 6/2008 to 2/2009
Manchester, NH
Managing Clinical Director

Avis Goodwin Community Health Center
Dover, NH
Dental Director 8/2006 to 5/2008

Staff Dentist 8/2004 to 5/2008

Tufts University General Practice Residency 7/2003 to 6/2004
Waltham, MA
Dental Resident

Education

Tufts University School of Dental Medicine 7/2003 to 6/2004
GPR Certificate

Tufts University School of Dental Medicine 8/1999 to 5/2003
DMD degree

Luther College, Decorah, IA 9/1996 to 5/1999
BA in Biology

Memberships

New Hampshire Dental Society
American Dental Association
Academy of General Dentists

FAMILIES FIRST OF THE GREATER SEACOAST
Key Personnel (Ryan White)

| Name | Job Title | Salary | % Paid from this Contract | Amount Paid from this Contract |
|----------------------|---|-----------|---------------------------|--------------------------------|
| Helen B. Taft | Executive Director | \$103,189 | 0% | \$ 0 |
| David C. Choate | Finance Director | \$ 68,216 | 0% | \$ 0 |
| Teri Burdick | Health & Dental Operations Director | \$ 69,930 | 0% | \$ 0 |
| John Fitzsimons, DMD | Full-Time Dentist | \$125,000 | 0% | \$ 0 |
| Skip Homicz, DDS | <u>Volunteer</u> -Dentist/Dental Director | | 0% | \$ 0 |
| Nii Norte Lokko, DMD | Part-Time Dentist | \$ 25,200 | 0% | \$ 0 |

3

W 25

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STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6503
603-271-4612 1-800-852-3345 Ext. 4612
Fax: 603-271-4827 TDD Access: 1-800-735-2964



Nicholas A. Toumpas
Commissioner

Marcella J. Bobinsky
Acting Director

June 1, 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 of Public Health Services, to establish a list of dentists, with the ability to expand said list to include additional interested dental contractors to provide necessary dental treatment for clients enrolled in the New Hampshire Ryan White CARE Program. No maximum client or service volume is guaranteed. Accordingly, the price limitation among all Agreements is \$100,000 for the State Fiscal year. The Agreement is effective date of Governor and Executive Council approval through June 30, 2016. 100% Other funds.

| VENDOR | LOCATION |
|--|----------------|
| Families First of the Greater Seacoast | Portsmouth, NH |

Funds are available in the following account for SFY 2016 upon the availability and continued appropriation of funds in the future operating budget, with authority to adjust amounts between State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, PHARMACEUTICAL REBATES

| Fiscal Year | Class/Account | Class Title | Job Number | Total Amount |
|-------------|---------------|--------------|--------------|------------------|
| SFY 2016 | 530-500371 | Drug Rebates | 90024608 | \$100,000 |
| | | | Total | \$100,000 |

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
June 1, 2015
Page 2

EXPLANATION

This requested action is the seventh (7th) of seven (7) agreements that will ensure the provision of dental treatment and other oral health services to New Hampshire residents living with Human Immunodeficiency Virus (HIV), statewide that are enrolled in the New Hampshire Ryan White CARE Program. The licensed Dentists will provide dental treatment and other oral health services to enrolled clients, on an individual, case-by-case, as needed basis.

The New Hampshire Ryan White CARE Program receives funding from the Health Resources and Services Administration (HRSA), Ryan White HIV/AIDS Program, Part B for medical services, oral health, and home health care services. HRSA funding is in accordance with the Ryan White HIV/AIDS Treatment Extension Act of 2009. The intent of the legislation and federal funding is to assure access to care for financially eligible individuals living with HIV/AIDS. A recipient of federal funding, the New Hampshire Ryan White CARE Program is subject to the federal mandate to implement contractual agreements with all service providers and to maintain nationally accepted fiscal, programmatic, and monitoring standards established by HRSA. Federal regulation also requires that Ryan White CARE Program funds be used as a "payer of last resort".

Should Governor and Executive Council not authorize this Request, federal regulations and monitoring standards will not be met and eligible New Hampshire residents living with HIV with immediate oral health needs and without access to care will not receive prevention and treatment for dental conditions. The services in this Contract will promote the goals of the National HIV/AIDS Strategy and maintain a continuum of care in order to reduce HIV related health disparities and the occurrence of negative health outcomes. The program currently provides services to approximately 450 to 500 clients statewide.

A Request for Applications was posted on the Department of Health and Human Services' web site on April 4, 2014 to solicit dentists to provide dental services to New Hampshire Ryan White CARE program clients. In addition, an email was sent to twelve (12) known dental providers for Ryan White Part B services on April 4, 2014, notifying them that a Request for Application was posted. Seven (7) applications were received from licensed dentists, and were approved for funding.

As referenced in the Request for Application and in exhibit C-1, Revisions to General Provisions, this Agreement has the option to extend for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

The performance of this program will be measured by the number of New Hampshire Ryan White CARE Program clients that actually receive dental services.

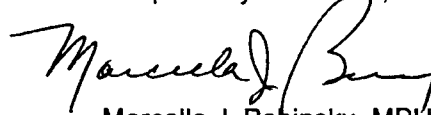
The geographic area to be served is statewide.

Source of Funds: 100% Other Funds from the Pharmaceutical Rebates.

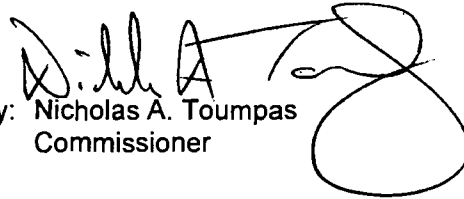
Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
June 1, 2015
Page 3

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

Respectfully submitted,



Marcella J. Bobinsky, MPH
Acting Director



Approved by: Nicholas A. Toumpas
Commissioner

Subject: New Hampshire Ryan White CARE Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

| | | | |
|---|--|--|--|
| 1.1 State Agency Name NH Department of Health and Human Services | | 1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857 | |
| 1.3 Contractor Name Families First of the Greater Seacoast | | 1.4 Contractor Address 100 Campus Dr., Suite 12 Portsmouth, NH 03801 | |
| 1.5 Contractor Phone Number 603-422-8208 | 1.6 Account Number 05-95-90-902510-2229-530-500371 | 1.7 Completion Date June 30, 2016 | 1.8 Price Limitation \$100,000 |
| 1.9 Contracting Officer for State Agency Brook Dupee, Bureau Chief | | 1.10 State Agency Telephone Number 603-271-4483 | |
| 1.11 Contractor Signature <i>Walter B. Tett</i> | | 1.12 Name and Title of Contractor Signatory <i>Walter B. Tett Executive Director</i> | |
| 1.13 Acknowledgement: State of <u>NH</u> , County of <u>Rockingham</u> On <u>6/4/15</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12. | | | |
| 1.13.1 Signature of Notary Public or Justice of the Peace [Seal] <i>Suzanne Coombs</i> Expires <u>12/19/18</u> | | | |
| 1.13.2 Name and Title of Notary or Justice of the Peace <i>SUZANNE COOMBS, Notary</i> | | | |
| 1.14 State Agency Signature <i>Marcia J. Babson for</i> | | 1.15 Name and Title of State Agency Signatory Brook Dupee, Bureau Chief | |
| 1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____ | | | |
| 1.17 Approval by the Attorney General (Form, Substance and Execution) By: <i>Megan A. Kelly</i> On: <u>6/25/15</u> | | | |
| 1.18 Approval by the Governor and Executive Council By: _____ On: _____ | | | |

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

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

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

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

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

7. PERSONNEL.

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

Contractor Initials:
Date: 6/4/15

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: 1/12/15
Date: 10/4/15

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

1. Program Name: New Hampshire Ryan White CARE Program

1.1. Purpose:

The purpose of this agreement is to perform necessary dental treatment for clients enrolled in the New Hampshire Ryan White CARE Program (NH CARE Program). The goal of the NH CARE Program is to provide financial assistance for necessary dental treatment and other oral health services, to uninsured and underinsured New Hampshire (NH) residents living with Human Immunodeficiency Virus (HIV), statewide.

2. Provision of Services:

- 2.1. The Contractor shall act as a representative of the NH CARE Program to provide preventive and restorative dental care to uninsured and underinsured NH CARE Program clients.
- 2.2. The Contractor shall provide services to enrolled NH CARE Program clients only; services provided outside of enrollment periods will not be reimbursed.
- 2.3. The Contractor shall refer clients to their Medical Case Manager as needed to re-enroll in the NH CARE Program.
- 2.4. The Contractor shall invoice NH CARE Program for services using a health insurance claim form or reasonable facsimile; additional invoicing methods may be approved by the NH CARE Program.
- 2.5. The Contractor shall invoice NH CARE Program according to the NH CARE Program Dental Fee Schedule; request approval for additional services through the Contract Monitor.
- 2.6. The Contractor shall participate in an annual site visit with NH CARE Program staff.
- 2.7. The Contractor shall provide client level data as requested by the NH CARE Program, for the completion of annual reports to the Health Resources and Services Administration (HRSA).
- 2.8. The Contractor shall maximize billing to NH Medicaid and private dental insurance. The NH CARE Program shall be the payer of last resort and will only reimburse services for uninsured and underinsured clients.

3. Licensing Requirements:

Dentist(s) performing services under this agreement must possess a current dental license issued by the State of New Hampshire Board of Dental Examiners.



Exhibit A

4. Dental providers shall adhere to the NH CARE Program Standards of Care for Oral Health Services, and all applicable Programmatic, Fiscal and Universal Monitoring Standards, as documented by the HRSA:
- <http://hab.hrsa.gov/manageyourgrant/files/programmonitoringpartb.pdf>
 - <http://hab.hrsa.gov/manageyourgrant/files/fiscalmonitoringpartb.pdf>
 - <http://hab.hrsa.gov/manageyourgrant/files/universalmonitoringpartab.pdf>
5. The Department of Health and Human Services reserves the right to discontinue this agreement should it discover any abridgment of the above partner agreements that jeopardize the intent of this agreement.

6. **Entire Agreement:**

The following documents are incorporated by reference into this Agreement and they constitute the entire Agreement between the State and the Contactor. General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit B-1 Dental Fee Schedule, Exhibit C Special Provisions, Exhibit C-1 Additional special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability Accountability Act Business Associate Agreement, and Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict of contradiction between or among the Agreement Documents, the documents shall control in the above order of precedence.



Exhibit B

Method and Conditions Precedent to Payment

1. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Bureau of Infectious Disease Control shall reimburse the Contractor for actual dental service(s) provided by the contractor to enrolled NH CARE Program clients. Reimbursement shall be based on the NH CARE Program Dental Fee Schedule identified in Exhibit B-1.
2. Price Limitation. This Agreement is one of multiple Agreements that will serve NH Ryan White CARE Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
3. Notwithstanding anything to the contrary herein, the Contractor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services have not been satisfactorily completed in accordance with the terms and conditions of this Agreement.
4. The funding source for this Agreement for Dental Services is 100% Other Funds from the Pharmaceutical Rebates.
5. Contract dentists shall complete and submit a Dental Claim invoice, due within 30 days. Completed invoice must be submitted to:

NH CARE Program
Bureau of Infectious Disease Control
Department of Health and Human Services
Division of Public Health
29 Hazen Drive
Concord, NH 03301
Fax: 603-271-4934
6. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available. Contractor will keep detailed records of their dental services related to Department of Health and Human Services funded programs and services.
7. Dentists are accountable to meet the scope of services. Failure to meet the scope of services may jeopardize the funded Dentist's current and/or future funding. Corrective action may include actions such as a contract amendment or termination of the contract.



Exhibit B-1

| NH CARE Program Dental Fee Schedule 2014 - 2015 | | |
|---|---|--------|
| Code | Procedure | Fee |
| D0120 | Periodic oral evaluation | 41.00 |
| D0140 | Limited oral evaluation | 60.00 |
| D0150 | Comprehensive oral evaluation | 62.00 |
| D0210 | Intraoral-complete series | 96.00 |
| D0220 | Intraoral-Periapical 1st film | 15.00 |
| D0230 | Intraoral-Periapical each additional | 10.00 |
| D0270 | Bitewings - Xray | 17.00 |
| D0272 | Bitewings - two films | 25.00 |
| D0274 | Bitewings - four films | 45.00 |
| D0330 | Panoramic film | 83.00 |
| D1110 | Prophylaxis adult | 85.00 |
| D1120 | Prophylaxis child | 38.00 |
| D2140 | Amalgam - 1 surface | 150.00 |
| D2150 | Amalgam - 2 surface | 155.00 |
| D2160 | Amalgam - 3 surface | 180.00 |
| D2161 | Amalgam - 4/4+ surface | 200.00 |
| D2330 | Resin-1 surface anterior | 131.00 |
| D2331 | Resin-2 surface anterior | 143.00 |
| D2332 | Resin-3 surface anterior | 147.00 |
| D2335 | Resin-4/4+ surface anterior | 165.00 |
| D2391 | Resin-1 surface posterior | 150.00 |
| D2392 | Resin-2 surface posterior | 155.00 |
| D2393 | Resin-3 surface posterior | 180.00 |
| D2394 | Resin-4/4+ surface posterior | 200.00 |
| D2940 | Sedative Filling | 75.00 |
| D4341 | Scaling and root planing (per quadrant) | 100.00 |
| D4355 | Full mouth debridement | 90.00 |
| D4910 | Periodontal Maintenance | 120.00 |
| D5110 | Complete denture-maxillary | 800.00 |
| D5120 | Complete denture-mandibular | 800.00 |
| D5130 | Immediate denture-maxillary | 875.00 |
| D5140 | Immediate denture-mandibular | 875.00 |
| D5211 | Maxillary partial-resin base | 600.00 |
| D5212 | Maxillary partial-resin base | 600.00 |



Exhibit B-1

| | | |
|-------|--|----------|
| D5213 | Max partial-cast metal w/resin | 1,300.00 |
| D5214 | Mand partial-cast metal w/resin | 1,200.00 |
| D5410 | Adjust complete denture, maxillary | 50.00 |
| D5411 | Adjust complete denture, mandibular | 50.00 |
| D5421 | Adjust partial denture, maxillary | 50.00 |
| D5422 | Adjust partial denture, mandibular | 50.00 |
| D5520 | Replace denture teeth | 127.00 |
| D5670 | Replace All Teeth/Acrilic on cast metal framework\$359 | 359.00 |
| D5750 | Reline complete maxillary denture | 244.00 |
| D5751 | Reline complete mandibular denture | 244.00 |
| D7140 | Extraction-erupted/exposed | 150.00 |
| D7210 | Extraction-surgical-imp bony | 225.00 |
| D7240 | Removal of Impacted Tooth | 348.00 |
| D7310 | Alveoloplasty - per quaddrant | 275.00 |
| D7472 | Removal of torus palatinus Mandibular - 2 quadrants | 400.00 |
| D5760 | Reline maxillary parital denture | 99.00 |
| D5761 | Reline mandibular partial denture | 99.00 |
| D9110 | Palliative Tx of Dental Pain | 33.00 |
| D9220 | Gen anesthesia (first 30 minutes) | 100.00 |
| D9221 | Gen anesthesia (each additional 15 minutes) | 40.00 |
| D9241 | Intravenous Conscious Sedation/first 30 min | 100.00 |
| D9242 | Intravenous Conscious Sedation/ea add'l 30 min | 40.00 |
| D9310 | Dental Consultation | 68.00 |
| D9612 | Parenteral Drug Injection (\$77 each) | 77.00 |
| D9940 | Mouth Guard | 110.00 |
| | <i>Additional services may be approved by DHHS on a case by case basis</i> | |
| | R:\OCPH\FCH\STDHIV\Group\CARE Program\Policy & Procedures\Dental | |



SPECIAL PROVISIONS

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

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



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

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

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



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

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



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

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

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

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

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

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

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

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

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

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



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

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

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.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

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.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

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

JKT
6/4/15



Exhibit C-1

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. Extension:

This agreement has the option for a potential extension of up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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



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

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

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

Contractor Name: Families First of The Greater Seacoast

6/4/15
Date

Helen B. Tyft
Name: Helen B. Tyft
Title: Executive Director



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

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

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

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

Contractor Name: Families First of the Greater Seacoast

6/4/15
Date

Heleen B. Teft
Name: Heleen B. Teft
Title: 6/4/15



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

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

INSTRUCTIONS FOR CERTIFICATION

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



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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

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

Contractor Name: Families First of the Greater Seacoast

6/4/15
Date

Helen B. Tift
Name: Helen B. Tift
Title: Executive Director

Contractor Initials HBT
Date 6/4/15



**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

11/13/15

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

New Hampshire Department of Health and Human Services
Exhibit G



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

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

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

Contractor Name: Familia First of the Greater Seacoast

6/4/15
Date

Helen B. Tipt
Name: Helen B. Tipt
Title: Executive Director

Exhibit G

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

Contractor Initials HBT



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Contractor Name: Family First of the Greater Seacoast

6/4/15
Date

Heleen B. Teft
Name: Heleen B. Teft
Title: Executive Director



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Exhibit I – Health Insurance Portability and Accountability Act, Business Associate Agreement does not apply to this contract.



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

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

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

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

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

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

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

Contractor Name: Fum. Li First of 10 Grades
Seawest

6/4/15
Date

Helen B. Telford
Name: Helen B. Telford
Title: Executive Director



FORM A

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

1. The DUNS number for your entity is: 85-844-458
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO YES

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

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

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

NO YES

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

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

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

| | |
|-------------|---------------|
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the
NH Ryan White CARE Program Dental Treatment and Oral Health Services Contract**

This first Amendment to the NH Ryan White CARE Program Dental Treatment and Oral Health Services Contract, (hereinafter referred to as "Amendment #1") dated this 25th day of January, 2016, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Greater Nashua Dental Connection, Inc. (hereinafter referred to as "the Contractor") a nonprofit corporation with a place of business located at 31 Cross Street, Nashua, NH 03064.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on April 8, 2015, Item #20, 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 C-1 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 contract price limitation and extend the contract completion date to support continued delivery of these services; 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, Block 1.7, Completion Date, to read:
June 30, 2018
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$400,000
3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:
Eric D. Borrin
4. Form P-37, General Provisions, Item 1.10, State Agency Telephone Number, to read:
(603) 271-9558
5. Exhibit B-1, Table Header, NH CARE Program Dental Fee Schedule 2014 – 2015, to read:
NH CARE Program Dental Fee Schedule



New Hampshire Department of Health and Human 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,

5/6/16
Date

State of New Hampshire
Department of Health and Human Services

Marcia J. Bobinsky
Name: Marcia J. Bobinsky
Title: Acting Director

4/29/16
Date

Greater Nashua Dental Connection, Inc.
[Signature]
Name: Della Cohen-Townley
Title: Executive Director

Acknowledgement:

State of New Hampshire County of Hillsborough on 4/29/16, 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

[Signature]
Name and Title of Notary or Justice of the Peace

Linda J. Scalzi
NOTARY PUBLIC
State of New Hampshire
My Commission Expires 3/6/2018

New Hampshire Department of Health and Human Services



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

OFFICE OF THE ATTORNEY GENERAL

5/16/16
Date

[Signature]
Name: Megan A. Tapscott
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

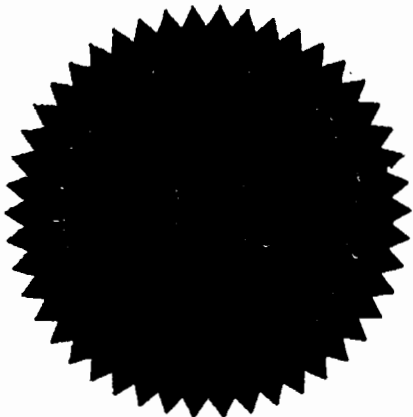
Date

Name:
Title:

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 GREATER NASHUA DENTAL CONNECTION, INC. is a New Hampshire nonprofit corporation formed October 7, 1998. 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 4th day of May A.D. 2016

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

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

1. I am a duly elected Officer of The Greater Nashua Dental Connection
(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 4/29/16:
(Date)

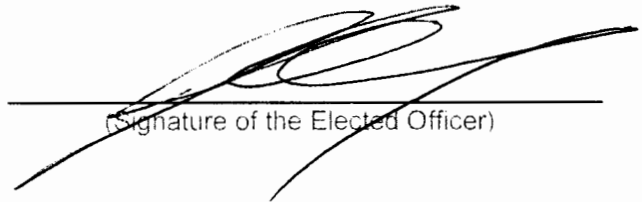
RESOLVED: That the Debra Tuomey - Executive Director
(Title of Contract Signatory)

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 29 day of APRIL, 2016.
(Date Contract Signed)

4. Debra Tuomey is the duly elected Executive Director
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

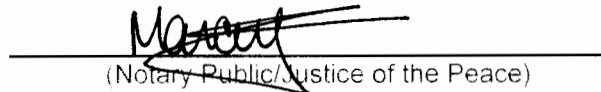

(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 29 day of April, 2016.

By JOSHUA OSOFSKY - President
(Name of Elected Officer of the Agency)


(Notary Public/Justice of the Peace)

(NOTARY SEAL)

MARCEY L. MASON, Notary Public
State of New Hampshire
My Commission Expires April 20, 2021

Commission Expires: _____



Affordable, quality oral health care to those in need.

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[PROGRAMS & SERVICES](#)

[OUR SUPPORTERS](#)

[EN ESPAÑOL](#)

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[DONATE](#)

Welcome

Good oral health is an essential part of overall health. The GNDC serves people of all ages, regardless of financial, linguistic, cultural or geographic barriers.

Our Mission

We are committed to improving the dental health and lives of New Hampshire residents and aim to increase funding, partnerships and program reach.

We offer care to those who are eligible for benefits, as well as low-cost services to those without insurance or benefits. We are dedicated to offering significantly reduced fees to make quality care more accessible to those who may not be able to afford dental care on a regular basis.

Current economic conditions continue to challenge access to affordable health care. Additionally, many patients travel to our dental clinic due to a lack of similar agencies throughout the state.

The GNDC would not be possible without generous community and corporate support, and the collaboration and dedication of our staff, board, volunteers and the dental community.

GREATER NASHUA DENTAL CONNECTION, INC.

Financial Statements

For the Year Ended June 30, 2015

(With Independent Auditors' Report Thereon)

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Additional Offices:

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

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Greater Nashua Dental Connection, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Greater Nashua Dental Connection, Inc., which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opin-

ion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Nashua Dental Connection, Inc. as of June 30, 2015, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Greater Nashua Dental Connection, Inc.'s fiscal year 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 15, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Melanson Heath

December 14, 2015

GREATER NASHUA DENTAL CONNECTION, INC.

Statement of Financial Position

June 30, 2015

(with comparative totals as of June 30, 2014)

| | <u>June 30,</u> <u>2015</u> | <u>June 30,</u> <u>2014</u> |
|-----------------------------------|--------------------------------|--------------------------------|
| <u>ASSETS</u> | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 124,159 | \$ 91,444 |
| Restricted cash | 11,923 | 18,550 |
| Accounts receivable, net | 24,089 | 11,384 |
| Promises to give | 15,850 | 12,508 |
| Prepaid insurance | <u>3,792</u> | <u>3,366</u> |
| Total Current Assets | 179,813 | 137,252 |
| Property and equipment, net | 175,652 | 184,023 |
| Investments | <u>218,448</u> | <u>274,307</u> |
| TOTAL ASSETS | <u>\$ 573,913</u> | <u>\$ 595,582</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current Liabilities: | | |
| Accounts payable | \$ 24,496 | \$ 17,380 |
| Accrued expenses | 12,497 | 15,803 |
| Deferred revenue | <u>11,923</u> | <u>-</u> |
| Total Current Liabilities | 48,916 | 33,183 |
| Note payable | <u>185,000</u> | <u>185,000</u> |
| TOTAL LIABILITIES | 233,916 | 218,183 |
| Net Assets: | | |
| Unrestricted | 339,997 | 358,849 |
| Temporarily restricted | <u>-</u> | <u>18,550</u> |
| TOTAL NET ASSETS | <u>339,997</u> | <u>377,399</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 573,913</u> | <u>\$ 595,582</u> |

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

GREATER NASHUA DENTAL CONNECTION, INC.

Statement of Activities

For the Year Ended June 30, 2015

(with comparative totals for the year ended June 30, 2014)

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
|--|---------------------|-----------------------------------|--------------------------|--------------------------|
| Support and Revenue: | | | | |
| Net patient service revenue | \$ 353,774 | \$ - | \$ 353,774 | \$ 393,229 |
| Grants and contributions | 132,782 | - | 132,782 | 212,246 |
| Donated services | 9,011 | - | 9,011 | 12,659 |
| Income from special events, net | 69,343 | - | 69,343 | 64,882 |
| Net assets released from restriction | <u>18,550</u> | <u>(18,550)</u> | <u>-</u> | <u>-</u> |
| Total Support and Revenue | 583,460 | (18,550) | 564,910 | 683,016 |
| Functional Expenses: | | | | |
| Program services | 409,495 | - | 409,495 | 547,527 |
| General management | 185,855 | - | 185,855 | 137,481 |
| Fundraising | <u>1,075</u> | <u>-</u> | <u>1,075</u> | <u>2,904</u> |
| Total Functional Expenses | 596,425 | - | 596,425 | 687,912 |
| Return on Investments: | | | | |
| Interest and dividends | 4,824 | - | 4,824 | 11,345 |
| Realized gains | 9,232 | - | 9,232 | 21,715 |
| Unrealized gains (losses) | <u>(19,943)</u> | <u>-</u> | <u>(19,943)</u> | <u>207</u> |
| Total Return (Loss) on Investments | <u>(5,887)</u> | <u>-</u> | <u>(5,887)</u> | <u>33,267</u> |
| Change in Net Assets | (18,852) | (18,550) | (37,402) | 28,371 |
| Net Assets, Beginning of year | <u>358,849</u> | <u>18,550</u> | <u>377,399</u> | <u>349,028</u> |
| Net Assets, End of year | <u>\$ 339,997</u> | <u>\$ -</u> | <u>\$ 339,997</u> | <u>\$ 377,399</u> |

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

GREATER NASHUA DENTAL CONNECTION, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2015
(with comparative totals for the year ended June 30, 2014)

| | <u>Program</u> <u>Services</u> | <u>General</u> <u>Management</u> | <u>Fundraising</u> | <u>June 30,</u> <u>2015</u> | <u>June 30,</u> <u>2014</u> |
|------------------------|-----------------------------------|-------------------------------------|---------------------|--------------------------------|--------------------------------|
| Personnel Expense: | | | | | |
| Salary and wages | \$ 245,639 | \$ 147,278 | \$ - | \$ 392,917 | \$ 437,316 |
| Payroll taxes | 19,533 | 11,711 | - | 31,244 | 36,041 |
| Employee benefits | 367 | - | - | 367 | 1,805 |
| Accounting fees | - | 10,655 | - | 10,655 | 7,166 |
| Contracted services | 1,962 | - | - | 1,962 | 3,392 |
| Dental assistance | 9,686 | - | - | 9,686 | 14,624 |
| Dental supplies | 64,914 | - | - | 64,914 | 85,367 |
| Depreciation expense | 24,410 | 187 | - | 24,597 | 25,433 |
| Grant acquisition | - | - | 1,075 | 1,075 | 2,904 |
| Information technology | 3,598 | - | - | 3,598 | 8,701 |
| Insurance | 10,032 | - | - | 10,032 | 10,488 |
| Occupancy | 29,354 | - | - | 29,354 | 31,269 |
| Office expenses | - | 11,983 | - | 11,983 | 14,328 |
| Other expenses | <u>-</u> | <u>4,041</u> | <u>-</u> | <u>4,041</u> | <u>9,078</u> |
| Total Expenses | <u>\$ 409,495</u> | <u>\$ 185,855</u> | <u>\$ 1,075</u> | <u>\$ 596,425</u> | <u>\$ 687,912</u> |

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

GREATER NASHUA DENTAL CONNECTION, INC.

Statement of Cash Flows

For the Year Ended June 30, 2015

(with comparative totals for the year ended June 30, 2014)

| | <u>June 30,</u> <u>2015</u> | <u>June 30,</u> <u>2014</u> |
|--|--------------------------------|--------------------------------|
| <u>Cash Flows From Operating Activities</u> | | |
| Change in Net Assets | \$ (37,402) | \$ 28,371 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | 24,597 | 25,433 |
| Unrealized gain (loss) on investments | 19,943 | (207) |
| Realized gain on investments | (9,232) | (21,715) |
| (Increase) decrease in: | | |
| Accounts receivable, net | (12,705) | 4,519 |
| Promises to give | (3,342) | (10,008) |
| Prepaid insurance | (426) | 537 |
| Increase (decrease) in: | | |
| Accounts payable | 7,116 | 6,363 |
| Accrued expenses | (3,306) | (1,972) |
| Deferred revenue | 11,923 | - |
| | <u> </u> | <u> </u> |
| Net cash provided by (used in) operating activities | (2,834) | 31,321 |
| <u>Cash Flows From Investing Activities</u> | | |
| Purchase of property and equipment | (16,227) | (4,951) |
| Purchase of investments | (368,163) | (320,716) |
| Sale of investments | 413,312 | 245,227 |
| | <u> </u> | <u> </u> |
| Net cash provided by (used in) investing activities | 28,922 | (80,440) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 26,088 | (49,119) |
| Cash and Cash Equivalents, Beginning of year | <u>109,994</u> | <u>159,113</u> |
| Cash and Cash Equivalents, End of year | <u>\$ 136,082</u> | <u>\$ 109,994</u> |

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

GREATER NASHUA DENTAL CONNECTION, INC.

Notes to the Financial Statements

1. Nature of Business

Greater Nashua Dental Connection, Inc. (the "Clinic") was established to improve access to affordable dental care for individuals and families who qualify for services. The primary focus is to provide access to dental care for residents in the Greater Nashua, New Hampshire area. The Clinic's primary source of funding is state and local grants, along with community support. The availability of funding may vary as a result of government budget constraints and changing economic conditions.

2. Summary of Significant Accounting Policies

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

Accounting for Contributions and Financial Statement Presentation

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

Basis of Accounting

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

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period

in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents

The Clinic considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

The Clinic carries investments in marketable securities with readily determinable fair values in the Statement of Financial Position. Unrealized gains and (losses) are included in the change in net assets in the Statement of Activities.

Allowance for Doubtful Accounts

The adequacy of the allowance for doubtful accounts for receivables is reviewed on an ongoing basis by the Clinic's management and adjusted as required through the provision for doubtful accounts. In determining the amount required in the allowance account, management has taken into account a variety of factors, which include past due status and the age of the receivable.

Property and Equipment

Property and equipment is recorded at cost or, if donated, at estimated fair market value at the date of donation. The Clinic charges annual amounts of depreciation in order to allocate the cost of property and equipment over their estimated useful lives. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Repairs and maintenance are charged to expense when incurred.

| <u>Assets</u> | <u>Years</u> |
|------------------------------------|--------------|
| Building | 30 |
| Building improvements | 3 - 7 |
| Equipment, furniture, and software | 3 - 5 |
| Vehicles | 5 |

Functional Expenses

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

Donated Services

The Clinic receives donated services from a variety of unpaid volunteers assisting the Clinic in its programs. No amounts have been recognized in the Statement of Activities because the criteria for recognition of such volunteer effort under generally accepted accounting principles ("GAAP") have not been satisfied.

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

Use of Estimates

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

Tax Status

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

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

The Clinic's Federal Form 990 (Return of Organization Exempt from Income Tax) is subject to examination by the Internal Revenue Service, generally for three years after they were filed.

3. Concentration of Credit Risk – Cash and Cash Equivalents

The carrying amount of the Clinic's deposits with financial institutions was \$136,082 and \$109,994 at June 30, 2015 and 2014, respectively. The difference between the carrying amount and the bank balance represents reconciling items such as deposits in transit and outstanding checks, which have not been processed by the bank. The bank balance was fully insured by FDIC at June 30, 2015 and June 30, 2014.

4. Accounts Receivable, Net

The balance in accounts receivable consisted of the following:

| | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
|---------------------------------------|--------------------------|--------------------------|
| Patient receivable | \$ 101,303 | \$ 56,489 |
| Medicaid receivable | <u>-</u> | <u>5,732</u> |
| Accounts receivable, gross | 101,303 | 62,221 |
| Less: Allowance for doubtful accounts | <u>(77,214)</u> | <u>(50,837)</u> |
| Accounts receivable, net | <u>\$ 24,089</u> | <u>\$ 11,384</u> |

5. Promises to Give

Promises to give consist of the following for the years ended:

| <u>Funding Source</u> | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
|-----------------------|--------------------------|--------------------------|
| Bureau of Oral Health | \$ 5,850 | \$ 2,508 |
| United Way | <u>10,000</u> | <u>10,000</u> |
| Total | <u>\$ 15,850</u> | <u>\$ 12,508</u> |

6. Property and Equipment, Net

The balance in property and equipment consisted of the following:

| | June 30, <u>2015</u> | June 30, <u>2014</u> |
|------------------------------------|-------------------------|-------------------------|
| Land | \$ 27,750 | \$ 27,750 |
| Building | 157,250 | 157,250 |
| Building improvements | 87,712 | 87,712 |
| Equipment, furniture, and software | 259,480 | 243,253 |
| Vehicles | <u>20,150</u> | <u>20,150</u> |
| Property and equipment, gross | 552,342 | 536,115 |
| Less: Accumulated depreciation | <u>(376,690)</u> | <u>(352,092)</u> |
| Property and equipment, net | <u>\$ 175,652</u> | <u>\$ 184,023</u> |

7. Investments

The Clinic's investments are reported on the basis of quoted market prices and consist of the following:

| | June 30, <u>2015</u> | June 30, <u>2014</u> |
|------------------------|-------------------------|-------------------------|
| Fair market value: | | |
| Fidelity Asset Manager | \$ - | \$ 23,327 |
| Fidelity Contrafund | - | 38,059 |
| Stocks | <u>218,448</u> | <u>212,921</u> |
| Total | 218,448 | 274,307 |
| Less: Cost | <u>(228,984)</u> | <u>(264,900)</u> |
| Unrealized gain (loss) | <u>\$ (10,536)</u> | <u>\$ 9,407</u> |

The fair market value of investments has been determined using Level 1 inputs.

8. Accrued Expenses

Accrued expenses consist of the following:

| | June 30, <u>2015</u> | June 30, <u>2014</u> |
|------------------------------|-------------------------|-------------------------|
| Accrued payroll | \$ 8,564 | \$ 8,564 |
| Accrued compensated absences | 3,424 | 6,584 |
| Accrued other | <u>509</u> | <u>655</u> |
| Total accrued expenses | <u>\$ 12,497</u> | <u>\$ 15,803</u> |

9. Note Payable

The Clinic has a note payable dated January 2000 totaling \$185,000 to the City of Nashua, New Hampshire under a Community Development Block Grant. This note is secured by a mortgage on the 31 Cross Street property. No repayment is required herein, as long as the Clinic complies with certain twenty-year restrictions contained in the loan agreement related to use and disposition of the property. The fair value of the note is not available.

10. Fair Value Measurement

FASB ASC 820, Fair Value Measurements, provides guidance for using fair value to measure assets and liabilities. Fair Value Measurements applies whenever other standards require or permit assets or liabilities to be measured at their fair market value. The standard does not expand the use of fair value in any new circumstances. Under Fair Value Measurements, fair value refers to the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. Fair Value Measurements clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions.

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of financial instruments included in Level 1 are highly liquid instruments with quoted prices;
- Level 2 - Inputs from active markets, other than quoted prices for identical instruments, are used to model fair value. Significant inputs are directly observable from active markets for substantially the full term of the asset or liability being valued; and
- Level 3 - Pricing inputs significant to the valuation are unobservable. Inputs are developed based on the best information available; however, significant judgment is required by management in developing the inputs.

11. Net Patient Service Revenue

The Clinic has an agreement with Medicaid that provides for payments at statewide prospectively determined rates per service. The prospectively determined rates are not subject to retroactive adjustment.

Net patient service revenue for the years ended are as follows:

| | <u>June 30,</u> <u>2015</u> | <u>June 30,</u> <u>2014</u> |
|-----------------------------|--------------------------------|--------------------------------|
| Medicaid | \$ 211,239 | \$ 215,760 |
| Private pay | <u>142,535</u> | <u>177,469</u> |
| Net patient service revenue | <u>\$ 353,774</u> | <u>\$ 393,229</u> |

12. Donated Services

Donated services represent the estimated fair value of professional dental services received. Donated services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The value of services donated by area dentists amounted to \$9,011 and \$12,659 for the years ended June 30, 2015 and 2014, respectively.

13. Related Party Transactions

The Organization purchases dental supplies from a company whose branch manager is a member of the Organization's Board of Directors. The total amount paid to this company for the year ended June 30, 2015 was \$64,236.

14. Subsequent Events

In accordance with the provisions set forth by FASB ASC 855, Subsequent Events, events and transactions from July 1, 2015 through December 14, 2015, the date the financial statements were available to be issued, have been evaluated by management for disclosure. Management has determined that there were no material events that would require disclosure in the Clinic's financial statements through this date.

Board List



Joshua Osofsky, DMD

Melissa Mei-Yen Wu, MD
So. NH Medical Center

Beth A. Kress, DDS

Eliot Paisner, DMD
(Vice President)

Michael Paisner, DMD

Deb Christiansen

Donna L. Kalil, DMD
(Previous Past President)

Kathleen Cowette
Director, Planning
St. Joseph Hospital

Claudie Mahar
2ND Vice President

Angel Jose Torio, DMD. MD

Linda Scalzi

Kerran Vigroux
Division of Public Health and
Community Services

Andrew Limbek
(Treasurer)

Edward Ferrero

Roberta Abodeely
(Secretary)
Dr. Norman Crisp School

Adam C. Varley

Lauren R. Johnson, D.M.D.

Objective: A position for a general dentist who has the compassion and skill to be an effective practitioner.

Education:

University of Pennsylvania School of Dental Medicine, Philadelphia, Pa
Doctor of Medical Dentistry, awarded May 2012

Franklin & Marshall College, Lancaster, Pa
Bachelor of Arts, awarded May 2006
Anthropology Major, GPA: 3.85
Exploration: Public Health Policy
Overall GPA: 3.82; Class Rank: 26/428

New England Emergency Medical Services Institute, Manchester, NH
Emergency Medical Technician (EMT) License, August 2002

Honors and Achievements:

Buchanan Scholarship to Franklin & Marshall College
Honor's List: (Awarded to semester average of 3.7 or better) Fall 2002,
Spring and Fall 2003, Fall 2004, Spring, Fall 2005, Spring 2006
Dean's List: (Awarded to semester average of 3.25 or better) Spring 2004
Charles Mayard Travel Grant, Spring 2005
Pi Gamma Mu Social Science Honor Society
Black Pyramid Senior Honor Society
Phi Beta Kappa Honor Society
Magna Cum Laude

Activities:

| | |
|-----------|--|
| 2009-2012 | University of Pennsylvania School of Dental Medicine: Penn Smiles |
| 2009-11 | University of Pennsylvania School of Dental Medicine Oral Cancer Walk Society volunteer |
| 2008 | Projects Abroad Volunteer Organization: Limpopo National Wildlife Reserve, Botswana |
| 2006 | Brush, Brush Smile Mobile Dental Clinic |
| 2002-2005 | Executive Board Member, College Entertainment Committee |
| 2002-2006 | Member, F&M Cares Community Service Club |
| 2002-2004 | Photographer, College Reporter, Franklin & Marshall's newspaper |

Summer and Part-time Work:

New Boston Dental Care, New Boston, NH
Part-time Associate General Dentist, provide dental care of the highest quality. I
diagnose, prevent, and treat oral maladies. Currently, I am under the mentorship of Dr. R.
C. Brenner & Dr. A. Elliot; I am benefitting greatly from their experience & knowledge.
July 2012- Present

Greater Nashua Dental Connection (GNDC), Nashua, NH
Part-time Associate General Dentist, provide dental care of the highest quality. GNDC is
a non-profit organization providing access to affordable healthcare to the underserved
populations of New Hampshire. July 2012- Present.

Concord Oral Surgery, Concord, NH

Surgical assistant assist oral surgeons during procedures that may or may not require intravenous sedation. I was responsible for preparing the patient for surgery, assisting the surgeon and monitoring the patient's vital signs during surgery, and post-procedural care of the patient. April 2007- August 2007

Brush, Brush Smile Mobile Dental Clinic, Lancaster, Pa

Volunteer dental assistant, providing dental care to children under the age of 18, who are on Medicaid or do not have health insurance. Spring 2006

New Hampshire Division of Historical Resources, Concord, NH

Chosen as an intern for the New Hampshire State Conservation and Rescue Archaeology Program to help organize and run an archaeological field school for high school and college students. Summer 2005

New Boston Dental Care, New Boston, NH

Dental assistant, and laboratory technician, assisted dentist in routine, emergency, and surgical procedures. I was responsible for preparing impressions of teeth and making dental appliances. 1997-2006

Christopher Moriarty

Education:

Tufts School of Dental Medicine, Boston, MA
Doctor of Dental Medicine 2012

Saint Joseph's University, Philadelphia, PA
Bachelor of Science in Biology, 2008

Experience:

Associate Dentist, Greater Nashua Dental Connection, Nashua NH, October 2012 to present

General dentistry in a public health setting providing simple restorative, removable prosthetics, extractions and dental triage to an in need patient population.

Associate Dentist, John Machell DMD, Nashua NH July 2012 to present

General family dentistry encompassing restorative, fixed and removable prosthetics, endodontics, simple extractions and socket preservation.

North Shore Community Health Center, Salem, MA 2011

Performed procedures on patients living in the underserved community; gained working experience in operative, prosthodontics, emergency, oral surgery and endodontics.

Ethics, Professionalism and Citizenship Committee,
Tufts University School of Dental Medicine 2008-2012

As an elected class representative, worked with other committee members to uphold the school's honor code and promote professional and ethical behavior within the school.

Honors:

Dr. Alfred Osher and Mrs. D. Suzi Osher Scholarship, 2012

Awarded to students with exceptional personal and work ethics

Dr. Robert J. Chapman Scholarship in Ethics, 2011

Awarded to students who promote ethics and professionalism within the school

Saint Joseph's University Merit Scholarship, 2004-2008

AMANDA M. SMITH, DMD, MPH

Education

UNIVERSITY OF LOUISVILLE SCHOOL OF DENTAL- Louisville, KY
Doctor of Dental Medicine, 2010-2014

UNIVERSITY OF NEW ENGLAND- Biddeford, ME
Masters of Public Health, 2008-2010

UNIVERSITY OF NEW ENGLAND- Biddeford, ME
Bachelors of Science, 2003-2007

Professional Experience

FAMILY DENTAL CARE OF MILFORD- Milford, NH
Part Time Associate Dentist, June 2014- Present

- A private practice caring for the dental needs of children and adults.

GREATER NASHUA DENTAL CONNECTION- Nashua, NH
Part Time Associate Dentist, July 2014- Present

- Community clinic providing oral health care service to the underserved population of New Hampshire.

LICENSURE

GENERAL DENTIST
License #04055

MEMBERSHIP IN PROFESSIONAL ORGANIZATIONS

American Dental Association, 2010- Present
New Hampshire Dental Society, 2014- Present

PUBLICATIONS

Staiti, A., et al. "A microdialysis study of the medial prefrontal cortex of adolescent and adult rats." *Neuropharmacology*. September 2011.

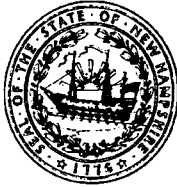
GREATER NASHUA DENTAL CONNECTION

Key Personnel

| Name | Job Title | Salary | % Paid from this Contract | Amount Paid from this Contract |
|------------------------------|--------------------|----------|---------------------------|--------------------------------|
| Dedra Twomey | Executive Director | \$72,400 | 0 | 0 |
| Lauren R. Johnson Brenner | DMD | \$30,000 | .25 % | \$1000 |
| Christopher Moriarty | DMD | \$55,000 | .75 % | \$1800 |
| Amanda M. Smith | DMD | \$30,000 | less than .25% | to be determined (new hire) |

4/20

2/2/15



STATE OF NEW HAMPSHIRE

MAR25'15 AM 7:05 DAS

DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-3958 1-800-852-3345 Ext. 3958
Fax: 603-271-4934 TDD Access: 1-800-735-2964

Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

| | |
|----------------|--|
| APPROVED | DIVISION OF Public Health Services <small>improving health, preventing disease, reducing costs for all</small> |
| DATE | |
| APPROVED G&C # | 20 |
| DATE | 4/8/15 |
| NOT APPROVED | |

February 26, 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 of Public Health Services, to establish a list of dentists, with the ability to expand said list to include additional interested dental contractors to provide necessary dental treatment for clients enrolled in the New Hampshire Ryan White CARE Program. No maximum client or service volume is guaranteed. Accordingly, the price limitation among all Agreements is \$100,000 each State Fiscal Year for a total of \$200,000. The Agreements are effective date of Governor and Executive Council approval through June 30, 2016. 100% other funds.

| VENDOR | LOCATION |
|----------------------------------|------------|
| Greater Nashua Dental Connection | Nashua, NH |

Funds are available in the following account for SFY 2015, and are anticipated to be available in SFY 2016 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust encumbrances between State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, PHARMACEUTICAL REBATES

| Fiscal Year | Class/Account | Class Title | Job Number | Total Amount |
|-------------|---------------|--------------|--------------|------------------|
| SFY 2015 | 530-500371 | Drug Rebates | 90024608 | \$100,000 |
| SFY 2016 | 530-500371 | Drug Rebates | 90024608 | \$100,000 |
| | | | Total | \$200,000 |

EXPLANATION

This requested action seeks approval of one (1) of seven (7) agreements that will ensure the provision of dental treatment and other oral health services to New Hampshire residents living with Human Immunodeficiency Virus (HIV), statewide that are enrolled in the New Hampshire Ryan White CARE Program. The licensed Dentists will provide dental treatment and other oral health services to enrolled clients, on an individual, case-by-case, as needed basis. The Governor and Executive Council has previously approved two (2) agreements and anticipates that the remaining (4) four agreements will be presented at an upcoming Governor and Executive Council meeting.

The New Hampshire Ryan White CARE Program receives funding from the Health Resources and Services Administration (HRSA), Ryan White HIV/AIDS Program, Part B for medical services, oral health, and home health care services. HRSA funding is in accordance with the Ryan White HIV/AIDS Treatment Extension Act of 2009. The intent of the legislation and federal funding is to assure access to care for financially eligible individuals living with HIV/AIDS. A recipient of federal funding, the New Hampshire Ryan White CARE Program is subject to the federal mandate to implement contractual agreements with all service providers and to maintain nationally accepted fiscal, programmatic, and monitoring standards established by HRSA. Federal regulation also requires that Ryan White CARE Program funds be used as a "payer of last resort".

Should Governor and Executive Council not authorize this Request, federal regulations and monitoring standards will not be met and eligible New Hampshire residents living with HIV with immediate oral health needs and without access to care will not receive prevention and treatment for dental conditions. The services in this Contract will promote the goals of the National HIV/AIDS Strategy and maintain a continuum of care in order to reduce HIV related health disparities and the occurrence of negative health outcomes. The program currently provides services to approximately 450 to 500 clients statewide.

A Request for Applications was posted on the Department of Health and Human Services' web site on April 4, 2014 to solicit dentists to provide dental services to New Hampshire Ryan White CARE program clients. In addition, an email was sent to twelve (12) known dental providers for Ryan White Part B services on April 4, 2014, notifying them that a Request for Application was posted. Seven (7) applications were received from licensed dentists, and were approved for funding.

As referenced in the Request for Application and in exhibit C-1, Revisions to General Provisions, this Agreement has the option to extend for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
February 26, 2015
Page 3

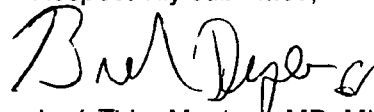
The performance of this program will be measured by the number of New Hampshire Ryan White CARE Program clients that actually receive dental services.

The geographic area to be served is statewide.

Source of Funds: 100% Other Funds from the Pharmaceutical Rebates.

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

Respectfully submitted,



José Thier Montero, MD, MHCDS
Director



Approved by: Nicholas A. Toumpas
Commissioner

Subject: New Hampshire Ryan White CARE Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.


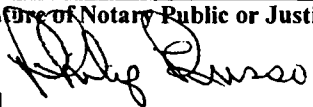
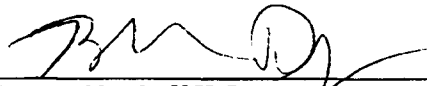
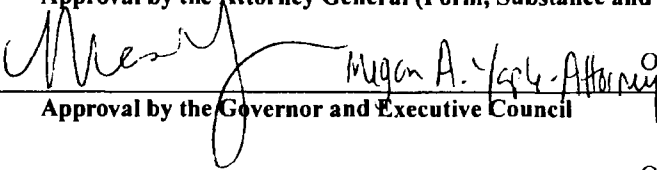
| | | | |
|--|--|--|--|
| 1.1 State Agency Name NH Department of Health and Human Services | | 1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857 | |
| 1.3 Contractor Name Greater Nashua Dental Connection | | 1.4 Contractor Address 31 Cross Street Nashua, NH 03064 | |
| 1.5 Contractor Phone Number 603-879-9314 | 1.6 Account Number 05-95-90-902510-2229-530-500371 | 1.7 Completion Date June 30, 2016 | 1.8 Price Limitation \$200,000 |
| 1.9 Contracting Officer for State Agency Brook Dupee, Bureau Chief | | 1.10 State Agency Telephone Number 603 271 4483 | |
| 1.11 Contractor Signature  | | 1.12 Name and Title of Contractor Signatory Dedra Twomey, Executive Director | |
| 1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>2/24/15</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12. | | | |
| 1.13.1 Signature of Notary Public or Justice of the Peace  [Seal] | | | |
| 1.13.2 Name and Title of Notary or Justice of the Peace PHILIP L. RUSSO Notary Public - New Hampshire My Commission Expires September 18, 2018 | | | |
| 1.14 State Agency Signature  | | 1.15 Name and Title of State Agency Signatory Brook Dupee, Bureau Chief | |
| 1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____ | | | |
| 1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Megan A. Goff - Attorney On: <u>3/24/15</u> | | | |
| 1.18 Approval by the Governor and Executive Council By: _____ On: _____ | | | |



Exhibit A

Scope of Services

1. Program Name: New Hampshire Ryan White CARE Program

1.1. Purpose:

The purpose of this agreement is to perform necessary dental treatment for clients enrolled in the New Hampshire Ryan White CARE Program (NH CARE Program). The goal of the NH CARE Program is to provide financial assistance for necessary dental treatment and other oral health services, to uninsured and underinsured New Hampshire (NH) residents living with Human Immunodeficiency Virus (HIV), statewide.

2. Provision of Services:

- 2.1. The Contractor shall act as a representative of the NH CARE Program to provide preventive and restorative dental care to uninsured and underinsured NH CARE Program clients.
- 2.2. The Contractor shall provide services to enrolled NH CARE Program clients only; services provided outside of enrollment periods will not be reimbursed.
- 2.3. The Contractor shall refer clients to their Medical Case Manager as needed to re-enroll in the NH CARE Program.
- 2.4. The Contractor shall invoice NH CARE Program for services using a health insurance claim form or reasonable facsimile; additional invoicing methods may be approved by the NH CARE Program.
- 2.5. The Contractor shall invoice NH CARE Program according to the NH CARE Program Dental Fee Schedule; request approval for additional services through the Contract Monitor.
- 2.6. The Contractor shall participate in an annual site visit with NH CARE Program staff.
- 2.7. The Contractor shall provide client level data as requested by the NH CARE Program, for the completion of annual reports to the Health Resources and Services Administration (HRSA).
- 2.8. The Contractor shall maximize billing to NH Medicaid and private dental insurance. The NH CARE Program shall be the payer of last resort and will only reimburse services for uninsured and underinsured clients.

3. Licensing Requirements:

Dentist(s) performing services under this agreement must possess a current dental license issued by the State of New Hampshire Board of Dental Examiners.



Exhibit A

4. Dental providers shall adhere to the NH CARE Program Standards of Care for Oral Health Services, and all applicable Programmatic, Fiscal and Universal Monitoring Standards, as documented by the HRSA:
 - <http://hab.hrsa.gov/manageyourgrant/files/programmonitoringpartb.pdf>
 - <http://hab.hrsa.gov/manageyourgrant/files/fiscalmonitoringpartb.pdf>
 - <http://hab.hrsa.gov/manageyourgrant/files/universalmonitoringpartab.pdf>
5. The Department of Health and Human Services reserves the right to discontinue this agreement should it discover any abridgment of the above partner agreements that jeopardize the intent of this agreement.

6. Entire Agreement:

The following documents are incorporated by reference into this Agreement and they constitute the entire Agreement between the State and the Contactor. General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit B-1 Dental Fee Schedule, Exhibit C Special Provisions, Exhibit C-1 Additional special Provisions, Exhibit D Cortication Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability Accountability Act Business Associate Agreement, and Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict of contradiction between or among the Agreement Documents, the documents shall control in the above order of precedence.



Exhibit B

Method and Conditions Precedent to Payment

1. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Bureau of Infectious Disease Control shall reimburse the Contractor for actual dental service(s) provided by the contractor to enrolled NH CARE Program clients. Reimbursement shall be based on the NH CARE Program Dental Fee Schedule identified in Exhibit B-1.
2. Price Limitation. This Agreement is one of multiple Agreements that will serve NH Ryan White CARE Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
3. Notwithstanding anything to the contrary herein, the Contractor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services have not been satisfactorily completed in accordance with the terms and conditions of this Agreement.
4. The funding source for this Agreement for Dental Services is 100% Other Funds from the Pharmaceutical Rebates.
5. Contract dentists shall complete and submit a Dental Claim invoice, due within 30 days. Completed invoice must be submitted to:

NH CARE Program
Bureau of Infectious Disease Control
Department of Health and Human Services
Division of Public Health
29 Hazen Drive
Concord, NH 03301
Fax: 603-271-4934

6. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available. Contractor will keep detailed records of their dental services related to Department of Health and Human Services funded programs and services.
7. Dentists are accountable to meet the scope of services. Failure to meet the scope of services may jeopardize the funded Dentist's current and/or future funding. Corrective action may include actions such as a contract amendment or termination of the contract.



Exhibit B-1

| NH CARE Program Dental Fee Schedule 2014 - 2015 | | |
|---|---|--------|
| Code | Procedure | Fee |
| D0120 | Periodic oral evaluation | 41.00 |
| D0140 | Limited oral evaluation | 60.00 |
| D0150 | Comprehensive oral evaluation | 62.00 |
| D0210 | Intraoral-complete series | 96.00 |
| D0220 | Intraoral-Periapical 1st film | 15.00 |
| D0230 | Intraoral-Periapical each additional | 10.00 |
| D0270 | Bitewings - Xray | 17.00 |
| D0272 | Bitewings - two films | 25.00 |
| D0274 | Bitewings - four films | 45.00 |
| D0330 | Panoramic film | 83.00 |
| D1110 | Prophylaxis adult | 85.00 |
| D1120 | Prophylaxis child | 38.00 |
| D2140 | Amalgam - 1 surface | 150.00 |
| D2150 | Amalgam - 2 surface | 155.00 |
| D2160 | Amalgam - 3 surface | 180.00 |
| D2161 | Amalgam - 4/4+ surface | 200.00 |
| D2330 | Resin-1 surface anterior | 131.00 |
| D2331 | Resin-2 surface anterior | 143.00 |
| D2332 | Resin-3 surface anterior | 147.00 |
| D2335 | Resin-4/4+ surface anterior | 165.00 |
| D2391 | Resin-1 surface posterior | 150.00 |
| D2392 | Resin-2 surface posterior | 155.00 |
| D2393 | Resin-3 surface posterior | 180.00 |
| D2394 | Resin-4/4+ surface posterior | 200.00 |
| D2940 | Sedative Filling | 75.00 |
| D4341 | Scaling and root planing (per quadrant) | 100.00 |
| D4355 | Full mouth debridement | 90.00 |
| D4910 | Periodontal Maintenance | 120.00 |
| D5110 | Complete denture-maxillary | 800.00 |
| D5120 | Complete denture-mandibular | 800.00 |
| D5130 | Immediate denture-maxillary | 875.00 |
| D5140 | Immediate denture-mandibular | 875.00 |
| D5211 | Maxillary partial-resin base | 600.00 |
| D5212 | Maxillary partial-resin base | 600.00 |



Exhibit B-1

| | | |
|-------|--|----------|
| D5213 | Max partial-cast metal w/resin | 1,300.00 |
| D5214 | Mand partial-cast metal w/resin | 1,200.00 |
| D5410 | Adjust complete denture, maxillary | 50.00 |
| D5411 | Adjust complete denture, mandibular | 50.00 |
| D5421 | Adjust partial denture, maxillary | 50.00 |
| D5422 | Adjust partial denture, mandibular | 50.00 |
| D5520 | Replace denture teeth | 127.00 |
| D5670 | Replace All Teeth/Acrilic on cast metal framework\$359 | 359.00 |
| D5750 | Reline complete maxillary denture | 244.00 |
| D5751 | Reline complete mandibular denture | 244.00 |
| D7140 | Extraction-erupted/exposed | 150.00 |
| D7210 | Extraction-surgical-imp bony | 225.00 |
| D7240 | Removal of Impacted Tooth | 348.00 |
| D7310 | Alveoloplasty - per quaddrant | 275.00 |
| D7472 | Removal of torus palatinus Mandibular - 2 quadrants | 400.00 |
| D5760 | Reline maxillary parital denture | 99.00 |
| D5761 | Reline mandibular partial denture | 99.00 |
| D9110 | Palliative Tx of Dental Pain | 33.00 |
| D9220 | Gen anesthesia (first 30 minutes) | 100.00 |
| D9221 | Gen anesthesia (each additional 15 minutes) | 40.00 |
| D9241 | Intravenous Conscious Sedation/first 30 min | 100.00 |
| D9242 | Intravenous Conscious Sedation/ea add'l 30 min | 40.00 |
| D9310 | Dental Consultation | 68.00 |
| D9612 | Parenteral Drug Injection (\$77 each) | 77.00 |
| D9940 | Mouth Guard | 110.00 |
| | <i>Additional services may be approved by DHHS on a case by case basis</i> | |
| | R:\OCPH\FCH\STDHIV\Group\CARE Program\Policy & Procedures\Dental | |

Contractor Initials WA
 Date 2/24/15



SPECIAL PROVISIONS

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

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

WA
Date 2/24/15



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

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

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

DA

Date 2/24/15

New Hampshire Department of Health and Human Services
Exhibit C



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

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

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

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

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

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

16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



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

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

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

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

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

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

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

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

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



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

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

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.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

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.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

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



Exhibit C-1

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. Extension:

This agreement has the option for a potential extension of up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

Exhibit C-1 – Revisions to General Provisions

Contractor Initials

[Handwritten Signature]

Date

[Handwritten Date] 2/24/15



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

WS
2/24/15

New Hampshire Department of Health and Human Services
Exhibit D



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

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

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

2/24/15
Date

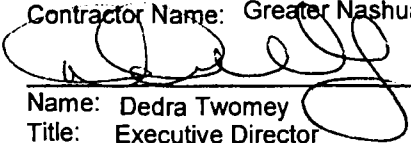

Contractor Name: Greater Nashua Dental Connection

Name: Dedra Twomey
Title: Executive Director

Exhibit D – Certification regarding Drug Free
Workplace Requirements
Page 2 of 2

Contractor Initials 
Date 2/24/15



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

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

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

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

2/20/15
Date

Contractor Name: Greater Nashua Dental Connection
Name: Dedra Twomey
Title: Executive Director

Exhibit E - Certification Regarding Lobbying

Contractor Initials _____



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

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

INSTRUCTIONS FOR CERTIFICATION

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



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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

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

2/24/15
Date

Contractor Name: Greater Nashua Dental Connection

Name: Dedra Twomey
Title: Executive Director

Contractor Initials DT
Date 2/24/15



**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.

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

New Hampshire Department of Health and Human Services
Exhibit G



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: Greater Nashua Dental Connection

Name: Dedra Twomey
Title: Executive Director

2/24/15
Date

Exhibit G – Certification Regarding
The Americans With Disabilities Act Compliance
Page 2 of 2

Contractor Initials DT
Date 2/24/15



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

2/24/15
Date

Contractor Name: Greater Nashua Dental Connection
[Signature]
Name: Dedra Twomey
Title: Executive Director

Contractor Initials [Signature]
Date 2/24/15



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Exhibit I – Health Insurance Portability and Accountability Act, Business Associate Agreement does not apply to this contract.

Exhibit I – Health Insurance Portability and Accountability Act Business Associate Agreement

Contractor Initials

[Handwritten Signature]

Page 1 of 1

Date

[Handwritten Date: 2/24/17]



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

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

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

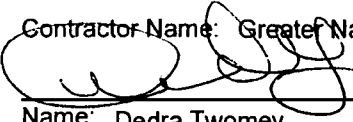
1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)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

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

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

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

2/24/15
Date

Contractor Name: Greater Nashua Dental Connection

Name: Dedra Twomey
Title: Executive Director

Contractor Initials 
Date 2/24/15



FORM A

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

1. The DUNS number for your entity is: 18901440
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO YES

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

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

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

NO YES

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

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

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

| | |
|-------------|---------------|
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |

Exhibit J – Certification Regarding the Federal Funding
Accountability And Transparency Act (FFATA) Compliance
Page 2 of 2

Contractor Initials [Signature]
Date 2/24/15



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the
NH Ryan White CARE Program Dental Treatment and Oral Health Services Contract**

This first Amendment to the NH Ryan White CARE Program Dental Treatment and Oral Health Services Contract, (hereinafter referred to as "Amendment #1") dated this 20th day of January, 2016, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Harbor Homes, Inc. (hereinafter referred to as "the Contractor") a nonprofit corporation with a place of business located at 45 High Street, Nashua, NH 03060.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on May 27, 2015, Item #33, 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 C-1 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 contract price limitation and extend the contract completion date to support continued delivery of these services; 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, Block 1.7, Completion Date, to read:
June 30, 2018
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$400,000
3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:
Eric D. Borrin
4. Form P-37, General Provisions, Item 1.10, State Agency Telephone Number, to read:
(603) 271-9558
5. Exhibit B-1, Table Header, NH CARE Program Dental Fee Schedule 2014 – 2015, to read:
NH CARE Program Dental Fee Schedule



New Hampshire Department of Health and Human 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,

5/6/16
Date

State of New Hampshire
Department of Health and Human Services
Marcia J. Bobish
Name: Marcia J. Bobish
Title: Acting Director

1/27/2016
Date

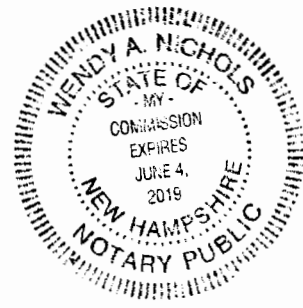
Harbor Homes, Inc.
Peter Kelleher
Name: Peter Kelleher
Title: President and CEO

Acknowledgement:

State of NH, County of Hillsborough on 1/27/2016, 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

Wendy Nichols, Notary
Name and Title of Notary or Justice of the Peace



New Hampshire Department of Health and Human Services



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

OFFICE OF THE ATTORNEY GENERAL

5/14/16
Date

Megan A. York
Name: Megan A. York
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

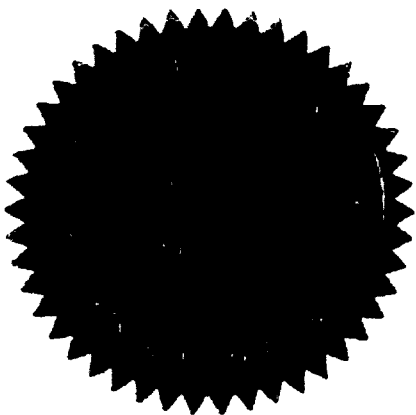
Date

Name:
Title:

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 HARBOR HOMES, INC. is a New Hampshire nonprofit corporation formed February 15, 1980. 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 14th day of April A.D. 2016

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

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

1. I am a duly elected Officer of Harbor Homes, 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 1/27/16:
(Date)

RESOLVED: That the President and CEO
(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 27th day of January, 2016.
(Date Contract Signed)

4. Peter Kelleher is the duly elected President and CEO
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Laurie Goguen
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 27th day of January, 2016.

By Laurie Goguen
(Name of Elected Officer of the Agency)

Wendy Nichols
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 6/4/19





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/30/2015

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 Eaton & Berube Insurance Agency, Inc. 11 Concord Street Nashua NH 03064 | CONTACT NAME: Kimberly Gutekunst | |
| | PHONE (A/C, No, Ext): 603-882-2766 | FAX (A/C, No): |
| E-MAIL ADDRESS: kgutekunst@eatonberube.com | | |
| INSURER(S) AFFORDING COVERAGE | | NAIC # |
| INSURER A : Hanover Insurance | | |
| INSURER B : QBE Insurance Corp. | | |
| INSURER C : Lexington | | |
| INSURER D : | | |
| INSURER E : | | |
| INSURER F : | | |

| | | |
|-----------|--------------------------------|------------------|
| COVERAGES | CERTIFICATE NUMBER: 1348914431 | REVISION NUMBER: |
|-----------|--------------------------------|------------------|

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

| INSR LTR | TYPE OF INSURANCE | ADDL ISUBR INSR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|---------------------|---------------|-------------------------|-------------------------|---|
| A | GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR | Y | ZBV970714702 | 7/1/2015 | 7/1/2016 | EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 \$ |
| A | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS | | AHV9706003 | 7/1/2015 | 7/1/2016 | COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| A | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$0 | | UHV970913302 | 7/1/2015 | 7/1/2016 | EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$ |
| B | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | Y/N N | QWC3000636 | 11/26/2015 | 11/26/2016 | <input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000 |
| C | Professional Liability Abuse & Molestation Empl Benefits Liability | | 017570426 | 7/1/2015 | 7/1/2016 | \$1,000,000 \$3,000,000 \$1,000,000 \$3,000,000 \$1,000,000 \$3,000,000 |

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

Additional Named Insureds:
 Harbor Homes, Inc. - FID# 020351932
 Harbor Homes II, Inc.
 Harbor Homes III, Inc.
 Healthy at Homes, Inc. -FID# 043364080
 Milford Regional Counseling Service, Inc. -FID# 222512360
 See Attached...

| | |
|---|--|
| CERTIFICATE HOLDER | CANCELLATION |
| Contracts & Procurement DHHS, State of NH 129 Pleasant Street Concord NH 03301 | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. |
| | AUTHORIZED REPRESENTATIVE |

AGENCY CUSTOMER ID: HARHO

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

| | | | |
|---|-----------|---|--|
| AGENCY Eaton & Berube Insurance Agency, Inc. | | NAMED INSURED Harbor Homes, Inc 45 High Street Greater Nashua Council on Alcoholism, Inc. Nashua NH 03060 | |
| POLICY NUMBER | | EFFECTIVE DATE: | |
| CARRIER | NAIC CODE | | |

ADDITIONAL REMARKS

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE**

Southern New Hampshire HIV/AIDS Task Force -FID# 020447280
Welcoming Light, Inc. -FID# 020481648
HH Ownership, Inc.
Greater Nashua Council on Alcoholism dba Keystone Hall -FID# 222558859

Mission Statements

Harbor Homes, Inc.:

The mission of Harbor Homes, Inc. is to create and provide quality residential and supportive services for persons (and their families) challenged by mental illness and homelessness.

Welcoming Light Inc.:

To provide residential and support services to elderly and disabled individuals in a manner that is compassionate, flexible, and emphasizes independence

Milford Regional Counseling Services, Inc.:

To provide affordable counseling services to individuals and families

Greater Nashua Council on Alcoholism, Inc.

"To empower the chemically dependent person to take responsibility toward recovery through professional counseling in a caring environment"

Healthy at Home, Inc.:

To enhance the lives of people with illness or injury through a cooperative relationship with the community, professional medical service providers, and organizations that serve people in need of healthcare

HARBOR HOMES, INC.
Financial Statements
For the Year Ended June 30, 2015
(With Independent Auditors' Report Thereon)

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| Statement of Activities | 4 |
| Statement of Functional Expenses | 5 |
| Statement of Cash Flows | 6 |
| Notes to the Financial Statements | 7 |

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Harbor Homes, Inc.

Additional Offices:
Andover, MA
Greenfield, MA
Manchester, NH
Ellsworth, ME

Report on the Financial Statements

We have audited the accompanying financial statements of Harbor Homes, Inc., which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

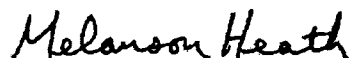
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harbor Homes, Inc. as of June 30, 2015, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Harbor Homes, Inc.'s fiscal year 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 15, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015 on our consideration of the Harbor Homes, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Harbor Homes Inc.'s internal control over financial reporting and compliance.



December 10, 2015

HARBOR HOMES, INC.

Statement of Financial Position

June 30, 2015

(With Comparative Totals as of June 30, 2014)

| <u>ASSETS</u> | <u>2015</u> | <u>2014</u> |
|---|----------------------|----------------------|
| Current Assets: | | |
| Cash and cash equivalents | \$ 191,326 | \$ 170,394 |
| Investments | 10,299 | - |
| Accounts receivable, net | 1,020,434 | 1,009,099 |
| Patient services receivable, net | 280,292 | 428,888 |
| Promises to give | - | 50,000 |
| Due from related organizations | 80,703 | 24,522 |
| Prepaid expenses | 66,069 | 28,575 |
| Total Current Assets | <u>1,689,123</u> | <u>1,711,476</u> |
| Noncurrent Assets: | | |
| Property and Equipment, net of accumulated depreciation | 20,069,439 | 19,999,007 |
| Restricted deposits and funded reserves | 348,027 | 320,291 |
| Due from related organizations | 318,935 | 352,502 |
| Beneficial interest | 149,503 | 148,204 |
| Deferred compensation plan | 91,937 | 40,938 |
| Total Noncurrent Assets | <u>20,975,841</u> | <u>20,860,940</u> |
| Total Assets | <u>\$ 22,644,964</u> | <u>\$ 22,572,416</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current Liabilities: | | |
| Accounts payable | \$ 448,625 | \$ 600,049 |
| Accrued expenses | 720,016 | 704,676 |
| Due to related organizations | 108,364 | 160,868 |
| Line of credit | 733,319 | 400,868 |
| Deferred revenue | 2,259 | 2,333 |
| Current portion of capital leases payable | 43,126 | - |
| Current portion of mortgages payable | 201,707 | 198,801 |
| Total Current Liabilities | <u>2,258,416</u> | <u>2,067,595</u> |
| Long Term Liabilities: | | |
| Security deposits | 42,494 | 41,529 |
| Deferred compensation plan | 91,937 | 40,936 |
| Other liabilities | - | 13,783 |
| Capital leases payable, net of current portion | 61,431 | - |
| Mortgages payable, tax credits | 121,367 | 142,410 |
| Mortgages payable, net of current portion | 7,191,180 | 7,383,828 |
| Mortgages payable, deferred | 5,332,834 | 5,332,834 |
| Total Long Term Liabilities | <u>12,841,243</u> | <u>12,955,320</u> |
| Total Liabilities | 15,099,659 | 15,022,915 |
| Unrestricted Net Assets | 7,498,125 | 7,499,959 |
| Temporarily Restricted Net Assets | 47,180 | 49,542 |
| Total Net Assets | <u>7,545,305</u> | <u>7,549,501</u> |
| Total Liabilities and Net Assets | <u>\$ 22,644,964</u> | <u>\$ 22,572,416</u> |

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

HARBOR HOMES, INC.

Statement of Activities

For the Year Ended June 30, 2015

(With Comparative Totals for the Year Ended June 30, 2014)

| | <u>Unrestricted</u> <u>Net Assets</u> | <u>Temporarily</u> <u>Restricted</u> <u>Net Assets</u> | <u>2015</u> <u>Total</u> | <u>2014</u> <u>Total</u> |
|--|--|--|-----------------------------|-----------------------------|
| <u>Public Support and Revenue:</u> | | | | |
| Public Support: | | | | |
| Federal grants | \$ 3,343,768 | \$ - | \$ 3,343,768 | \$ 6,117,734 |
| State, local, and other grants | 2,354,114 | - | 2,354,114 | 1,718,713 |
| Contributions | 397,840 | 47,050 | 444,890 | 273,062 |
| Fundraising events | 1,522 | - | 1,522 | 52,519 |
| Net assets released from restriction | 49,412 | (49,412) | - | - |
| Total Public Support | <u>6,146,656</u> | <u>(2,362)</u> | <u>6,144,294</u> | <u>8,162,028</u> |
| Revenue: | | | | |
| Department of Housing and Urban Development | 2,872,237 | - | 2,872,237 | 2,781,628 |
| Veterans Administrative grants | 2,464,140 | - | 2,464,140 | 2,228,141 |
| Contracted services | 1,008,778 | - | 1,008,778 | 1,254,522 |
| Patient service revenues, net (see Note 23) | 893,197 | - | 893,197 | 227,575 |
| Medicaid - Federal and State, net | 820,177 | - | 820,177 | 789,603 |
| Rent and service charges, net | 438,744 | - | 438,744 | 655,416 |
| Other fees and miscellaneous | 212,486 | - | 212,486 | 279,258 |
| Other patient revenues | 144,598 | - | 144,598 | 91,975 |
| Outside rent | 110,841 | - | 110,841 | 95,816 |
| Management fees | 35,478 | - | 35,478 | 32,796 |
| Interest | 1,383 | - | 1,393 | 164 |
| Unrealized gain/(loss) | 1,315 | - | 1,315 | 20,185 |
| Gain (loss) on disposal of fixed assets | 332,618 | - | 332,618 | 601,751 |
| Total Revenue | <u>9,336,002</u> | <u>-</u> | <u>9,336,002</u> | <u>9,056,828</u> |
| Total Public Support and Revenue | <u>15,482,658</u> | <u>(2,362)</u> | <u>15,480,296</u> | <u>17,218,856</u> |
| <u>Expenses:</u> | | | | |
| Program | 13,331,133 | - | 13,331,133 | 10,852,114 |
| Administration | 1,772,573 | - | 1,772,573 | 1,817,339 |
| Fundraising | 380,786 | - | 380,786 | 481,768 |
| Total Expenses | <u>15,484,492</u> | <u>-</u> | <u>15,484,492</u> | <u>13,151,221</u> |
| Change in net assets | (1,834) | (2,362) | (4,196) | 4,067,635 |
| Net Assets, Beginning of Year | <u>7,499,959</u> | <u>49,542</u> | <u>7,549,501</u> | <u>3,481,866</u> |
| Net Assets, End of Year | <u>\$ 7,498,125</u> | <u>\$ 47,180</u> | <u>\$ 7,545,305</u> | <u>\$ 7,549,501</u> |

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

HARBOR HOMES, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2015

(With Comparative Totals for the Year Ended June 30, 2014)

| | <u>Program</u> | <u>Administration</u> | <u>Fundraising</u> | <u>2015 Total</u> | <u>2014 Total</u> |
|--|----------------------|-----------------------|--------------------|-----------------------|-----------------------|
| Expenses: | | | | | |
| Accounting fees | \$ - | \$ 45,104 | \$ - | \$ 45,104 | \$ 49,400 |
| Advertising and promotion | 2,902 | 2,950 | 69 | 6,921 | 30,423 |
| Client expenses | 237,585 | - | - | 237,585 | 145,130 |
| Conferences, conventions, and meetings | 25,280 | 286 | 73 | 25,639 | 37,062 |
| Contract labor | 287,605 | 1,984 | - | 289,589 | 261,832 |
| Employee benefits | 740,651 | 265,521 | 48,032 | 1,054,204 | 838,648 |
| Grants | 257,722 | - | - | 257,722 | 295,416 |
| Information technology | 96,497 | 51,917 | - | 148,414 | 94,220 |
| Insurance | 83,672 | 15,389 | 1,346 | 100,407 | 94,021 |
| Interest | 413,629 | 43,126 | 1,098 | 457,853 | 419,945 |
| Legal fees | 5,195 | 20,157 | 325 | 25,677 | 47,942 |
| Management fees | 10,518 | - | - | 10,518 | 8,964 |
| Occupancy | 4,373,241 | 69,750 | 4,031 | 4,447,022 | 3,593,603 |
| Office expenses | 154,483 | 50,221 | 2,293 | 206,997 | 181,493 |
| Operational supplies | 137,619 | 566 | 468 | 138,653 | 99,313 |
| Other expenses | 20,321 | 36,234 | 19,128 | 75,683 | 75,445 |
| Payroll taxes | 399,451 | 68,687 | 23,027 | 491,165 | 482,708 |
| Professional fees | 225,431 | 52,621 | 2,828 | 280,980 | 237,612 |
| Salaries and wages | 4,868,552 | 900,109 | 272,338 | 6,040,999 | 5,320,645 |
| Security deposits | 139,407 | 900 | - | 140,307 | 117,348 |
| Staff development and expenses | 43,049 | 43,670 | 49 | 86,768 | 23,287 |
| Travel | 47,703 | 2,083 | 374 | 50,160 | 60,948 |
| Total Expenses Before Depreciation | <u>12,570,513</u> | <u>1,671,275</u> | <u>375,579</u> | <u>14,617,367</u> | <u>12,515,405</u> |
| Depreciation and amortization | <u>760,620</u> | <u>101,298</u> | <u>5,207</u> | <u>867,125</u> | <u>635,816</u> |
| Total Functional Expenses | <u>\$ 13,331,133</u> | <u>\$ 1,772,573</u> | <u>\$ 380,786</u> | <u>\$ 15,484,492</u> | <u>\$ 13,151,221</u> |

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

HARBOR HOMES, INC.

Statement of Cash Flows

For the Year Ended June 30, 2015

(With Comparative Totals for the Year Ended June 30, 2014)

| | <u>2015</u> | <u>2014</u> |
|--|-------------------|--------------------|
| Cash Flows From Operating Activities: | | |
| Change in net assets | \$ (4,196) | \$ 4,067,635 |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Depreciation and amortization | 867,125 | 635,816 |
| (Gain) loss on disposal of fixed assets | (332,618) | (601,751) |
| (Gain) on beneficial interest | (1,299) | (19,967) |
| (Increase) Decrease In: | | |
| Accounts receivable | (11,333) | (742,710) |
| Patient services receivable | 138,594 | - |
| Promises to give | 50,000 | 50,000 |
| Prepaid expenses | (37,494) | (1,372) |
| Increase (Decrease) In: | | |
| Accounts payable | (151,424) | 355,331 |
| Accrued expenses | 15,340 | 207,140 |
| Deferred revenue | (74) | (61,324) |
| Other liabilities | (13,783) | 9,535 |
| Net Cash Provided by Operating Activities | <u>518,838</u> | <u>3,898,333</u> |
| Cash Flows From Investing Activities: | | |
| Restricted deposits and funded reserves | (25,736) | (120,585) |
| Security deposits | 965 | 4,107 |
| Proceeds from sale of fixed assets | 395,370 | 866,502 |
| Purchase of fixed assets | (868,311) | (4,043,454) |
| Purchase of investments | (10,299) | - |
| Net Cash Used by Investing Activities | <u>(508,011)</u> | <u>(3,293,430)</u> |
| Cash Flows From Financing Activities: | | |
| Borrowings from line of credit | 1,564,496 | - |
| Payments on line of credit | (1,232,045) | (407,000) |
| Payments on long term borrowings | (238,228) | (407,900) |
| Net change in due to/from related organizations | (84,118) | (60,131) |
| Net Cash Provided by (Used for) Financing Activities | <u>10,105</u> | <u>(875,031)</u> |
| Net Increase (Decrease) | 20,932 | (270,128) |
| Cash and Cash Equivalents, Beginning of Year | <u>170,394</u> | <u>440,522</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 191,326</u> | <u>\$ 170,394</u> |
| Supplemental disclosures of cash flow information: | | |
| Interest paid | <u>\$ 457,717</u> | <u>\$ 429,621</u> |
| Non-cash financing activities | <u>\$ 132,000</u> | <u>\$ 518,515</u> |

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

HARBOR HOMES, INC.

Notes to the Financial Statements

1. **Organization:**

Harbor Homes, Inc. (the Organization) is a nonprofit organization that creates and provides quality residential and supportive services for persons (and their families) challenged by mental illness and/or homelessness in the State of New Hampshire. Programs include mainstream housing, permanent housing, transitional housing, and emergency shelter, as well as comprehensive support services that include peer support programs, job training, a paid employment program, and social and educational activities.

In addition to housing and supportive services, the Organization runs a health care clinic that is a Federally Qualified Health Center (FQHC) offering primary medical services to the homeless and/or low-income individuals.

2. **Summary of Significant Accounting Policies:**

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

Accounting for Contributions and Financial Statement Presentation

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

Basis of Accounting

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

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents

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

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Allowance for Doubtful Accounts

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

Patient Services Receivable, Net

Patient services receivable result from the health care services provided by the Organization's federally qualified health care center. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts. The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage, and other indicators.

For receivables associated with services provided to patients who have third-party coverage, which includes patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the

Organization analyzes contractually due amounts and provides an allowance for doubtful collections and a provision for doubtful collections, if necessary. For receivables associated with self-pay patients, the Organization records a significant provision for doubtful collections in the period of service on the basis of its past experience, which indicates that many patients are unable to pay the portion of their bill for which they are financially responsible. The difference between the billed rates and the amounts actually collected after all reasonable collections efforts have been exhausted is charged off against the allowance for doubtful collections. The Organization has not changed its financial assistance policy in 2015. The Organization does not maintain a material allowance for doubtful collections from third-party payors, nor did it have significant write-offs from third-party payors.

Property and Equipment

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

Patient Service Revenues, Net

Patient service revenues, net is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Self-pay revenue is recorded at published charges with charitable allowances deducted to arrive at net self-pay revenue. All other patient services revenue is recorded at published charges with contractual allowances deducted to arrive at patient services, net. Reimbursement rates are subject to revisions under the provisions of reimbursement regulations. Adjustments for such revisions are recognized in the fiscal year incurred. Included in third-party receivables are the outstanding uncompensated care pool payments.

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Since the Organization does not pursue collection of amounts determined to qualify as charity care, these amounts are reported as deductions from revenue (see Note 23).

Functional Expenses

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

Donated Services

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

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

Use of Estimates

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

Tax Status

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

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

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

The Organization recognizes interest related to unrecognized tax benefits in interest expense and penalties that are included within reported expenses. During the year ended June 30, 2015, the Organization had no interest or penalties accrued related to unrecognized tax benefits.

Reclassifications

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

3. Concentration of Credit Risk - Cash and Cash Equivalents:

The carrying amount of the Organization's deposits with financial institutions was \$547,652 at June 30, 2015. The difference between the carrying amount and the bank balance represents reconciling items such as deposits in transit and outstanding checks, which have not been processed by the bank at June 30, 2015. The bank balance is categorized as follows:

| | |
|--------------------------------|-------------------|
| Insured by FDIC | \$ 445,879 |
| Insured by SIPC | 69,994 |
| Uninsured and uncollateralized | <u>52,583</u> |
| Total Bank Balance | <u>\$ 568,456</u> |

4. Investments:

The Organization's investments are reported on the basis of quoted market prices and consist of the following at June 30, 2015:

| | <u>Cost</u> | <u>Market Value</u> | <u>Unrealized Gain or (Loss) To Date</u> |
|--------|------------------|---------------------|--|
| Stocks | \$ <u>10,299</u> | \$ <u>10,299</u> | \$ <u>-</u> |
| Total | \$ <u>10,299</u> | \$ <u>10,299</u> | \$ <u>-</u> |

5. Receivables, Net:

Accounts receivable at June 30, 2015 consists of the following:

| | <u>Receivable</u> | <u>Allowance</u> | <u>Net</u> |
|-------------------|---------------------|--------------------|---------------------|
| Grants | \$ 867,631 | \$ - | \$ 867,631 |
| Medicaid | 71,825 | - | 71,825 |
| Other | 51,590 | - | 51,590 |
| Residents | 84,245 | (59,903) | 24,342 |
| Security deposits | <u>5,046</u> | <u>-</u> | <u>5,046</u> |
| Total | <u>\$ 1,080,337</u> | <u>\$ (59,903)</u> | <u>\$ 1,020,434</u> |

Patient accounts receivable, related to the Organization's federally qualified health care center, consisted of the following at June 30, 2015:

| | <u>Receivable</u> | <u>Allowance</u> | <u>Net</u> |
|----------|-------------------|---------------------|-------------------|
| Medicaid | \$ 191,715 | \$ - | \$ 191,715 |
| Medicare | 39,250 | - | 39,250 |
| Other | <u>329,274</u> | <u>(269,947)</u> | <u>59,327</u> |
| Total | <u>\$ 560,239</u> | <u>\$ (269,947)</u> | <u>\$ 290,292</u> |

6. Due To/From Related Organizations:

Due to/from related organizations represents amounts due to and from Harbor Homes, Inc. from related entities whereby common control is shared with the same Board of Directors (See Note 19). These balances exist because certain receipts and disbursements of the related organizations flow through the Harbor Homes, Inc. main operating cash account. The related organizations and their balances at June 30, 2015 are as follows:

| | <u>Due From</u> | <u>Due to</u> |
|--|-------------------|-------------------|
| Current: | | |
| Healthy at Home | \$ - | \$ 99,125 |
| Southern NH HIV/AIDS Task Force | - | 10,239 |
| Greater Nashua Council on Alcoholism | 56,975 | - |
| HH Ownership, Inc. | 17,495 | - |
| Harbor Homes III, Inc. | <u>16,233</u> | <u>-</u> |
| Subtotal current | 90,703 | 109,364 |
| Noncurrent: | | |
| Milford Regional Counseling Services, Inc. | 50,033 | - |
| Harbor Homes II, Inc. | 121,150 | - |
| Welcoming Light, Inc. | <u>147,752</u> | <u>-</u> |
| Subtotal noncurrent | <u>318,935</u> | <u>-</u> |
| Total | <u>\$ 409,638</u> | <u>\$ 109,364</u> |

Although management believes the above receivables to be collectible, there is significant risk that the noncurrent portion may not be.

7. Prepaid Expenses:

Prepaid expenses consist of the following items:

| | |
|------------------------------|------------------|
| Prepaid HRA | \$ 38,543 |
| Prepaid software maintenance | 26,000 |
| Prepaid other | <u>1,526</u> |
| Total | <u>\$ 66,069</u> |

8. Property, Equipment and Depreciation:

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

| | |
|--------------------------------|----------------------|
| Land | \$ 1,747,190 |
| Land improvements | 12,290 |
| Buildings | 16,130,760 |
| Building improvements | 5,983,486 |
| Software | 410,041 |
| Vehicles | 211,878 |
| Furniture and fixtures | 148,622 |
| Equipment | 372,116 |
| Dental equipment | 141,716 |
| Medical equipment | <u>58,022</u> |
| Subtotal | 25,216,121 |
| Less: accumulated depreciation | <u>(5,146,682)</u> |
| Total | <u>\$ 20,069,439</u> |

Depreciation expense for the year ended June 30, 2015 totaled \$867,125.

The estimated useful lives of the depreciable assets are as follows:

| <u>Assets</u> | <u>Years</u> |
|---------------------------------|--------------|
| Land improvements | 15 |
| Buildings and improvements | 10 - 40 |
| Software | 3 |
| Vehicles | 3 |
| Furniture and fixtures | 5 - 7 |
| Equipment and medical equipment | 5 - 7 |

9. Restricted Deposits and Funded Reserves:

Restricted deposits and funded reserves consist of escrow accounts and reserves which are held for various purposes. The following is a summary of the restricted accounts:

| | <u>Program Operations</u> |
|---------------------------|-------------------------------|
| Security deposits | \$ 37,447 |
| Reserve for replacements | 304,214 |
| Residual receipt deposits | <u>4,366</u> |
| Total | <u>\$ 346,027</u> |

Security deposits held will be returned to tenants when they vacate. Reserve for replacement accounts are required by the Department of Housing and Urban Development (HUD) and the City of Nashua and are used for the replacement of property with prior approval. Residual receipt deposits are required by the Department of Housing and Urban Development and are to be used at the discretion of HUD.

10. Beneficial Interest:

The Organization has a beneficial interest in the Harbor Homes, Inc. Fund (the Fund), a component fund of the New Hampshire Charitable Foundation's (the Foundation) Nashua Region. The Organization will receive distributions from the Fund based on a spending allocation, which is a percentage of the assets set by the Foundation and reviewed annually. The current spending percentage is 4.5% of the market value (using a 20-quarter average) of the Fund. At June 30, 2015, the value of the fund was \$149,503.

11. Accrued Expenses:

Accrued expenses include the following:

| | <u>Program Operations</u> |
|--------------------------------------|-------------------------------|
| Mortgage Interest | \$ 2,474 |
| Payroll and related taxes | 313,560 |
| Compensated absences - vacation time | 361,016 |
| Compensated absences - personal time | <u>42,966</u> |
| Total | <u>\$ 720,016</u> |

12. Line of Credit:

At June 30, 2015, the Organization had a \$1,000,000 of credit available from TD Bank, N. A. due February 28, 2016, secured by all assets. The Organization is required, at a minimum, to make monthly interest payments to TD Bank, N. A. at the bank's base rate plus 1% adjusted daily. As of June 30, 2015, the credit line had an outstanding balance of \$733,319 at an interest rate of 4.25%.

13. Security Deposits:

Security deposits are comprised of tenant security deposits and other miscellaneous deposits. Tenant security deposits are held in a separate bank account in the name of the Organization. These deposits will be returned to residents when they leave the facility. Interest will be returned to residents who have had over one year of continuous tenancy.

14. Capital Leases:

The Organization is the lessee of certain equipment under a capital lease expiring in November of 2017. Future minimum lease payments under this lease are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|-------------------|
| 2016 | \$ 47,985 |
| 2017 | 47,985 |
| 2018 | <u>15,995</u> |
| Total | <u>\$ 111,965</u> |

At June 30, 2015, equipment of \$132,000, net of amortization of \$6,600, related to the above capital leases.

15. Mortgages Payable, Tax Credits:

Mortgages payable, tax credits consist of a mortgage payable to the Community Development Finance Authority through the Community Development Investment Program, payable through the sale of tax credits to donor organizations, maturing in 2020, secured by real property located at 59 Factory Street in Nashua, NH. This amount is amortized over ten years at zero percent interest. The amount due at June 30, 2015 is \$121,367.

16. Mortgages Payable:

Mortgages payable as of June 30, 2015 consisted of the following:

| | |
|---|--------------|
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$7,879, including principal and interest at an adjustable rate of for the initial ten years based on the then prevailing 10/30 Federal Home Loan Bank Amortizing Advance Rate plus 3.00% and resetting in year 11 based on the then prevailing 10/20 Federal Home Loan Bank Amortizing Advance Rate plus 3.00%, maturing in 2043, secured by real property located at 335 Somerville Street in Manchester, NH. | \$ 1,192,597 |
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$6,193, including principal and interest at an adjustable rate of 4.57% for twenty years, maturing in 2043, secured by real property located at 335 Somerville Street in Manchester, NH. | 1,183,704 |
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$7,768, including principal and interest at 7.05%, maturing in 2040, secured by real property located at 59 Factory Street in Nashua, NH. | 1,095,094 |
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$6,391, including principal and interest at 6.75%, maturing in 2031, secured by real property located at 45 High Street in Nashua, NH. | 707,137 |
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$5,126, including principal and interest at 6.97%, maturing in 2036, secured by real property located at 46 Spring Street in Nashua, NH. | 678,412 |
| A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$3,996, including principal and interest at 4.75%, maturing in 2036, secured by real property located at 46 Spring Street in Nashua, NH. | 640,990 |

(continued)

(continued)

A mortgage payable to TD Bank, due in monthly installments of \$5,387, including principal and interest at 7.27%, maturing in 2025, secured by real property located on Maple Street in Nashua, NH. 458,586

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,692, including principal and interest at 4.75%, maturing in 2040, secured by real property located at 59 Factory Street in Nashua, NH. 474,767

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$2,077, including principal and interest at 5.57% for the first five years, then adjusting in June 2015, 2020, 2025, and 2030 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 2.75%, maturing in 2035, secured by real property located at 189 Kinsley Street in Nashua, NH. 301,589

A mortgage payable to Mascoma Savings Bank, fsb., due in monthly installments of \$1,731, including principal and interest at 7.00% maturing in 2036, secured by real property located at 7 Trinity Street in Claremont, NH. 230,126

A mortgage payable to the Department of Housing and Urban Development, due in monthly installments of \$2,385, including principal and interest at 9.25%, maturing in 2022, secured by real property located at 3 Winter Street in Nashua, NH. 149,528

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,144, including principal and interest at a variable rate (5.61% at June 30, 2012), maturing in 2029, secured by real property located at 24 Mulberry Street in Nashua, NH. 130,245

(continued)

(continued)

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$779, including principal and interest at 7.20% for the first five years, then adjusting in April 2012, 2017, 2022, 2027, and 2032 to the Federal Home Loan Bank Community Development Advance Rate in effect, plus 225 basis points, maturing in 2037, secured by real property located at 4 New Have Drive, Unit 202 in Nashua, NH. 99,580

A mortgage payable to Merrimack County Savings Bank, due in monthly installments of \$1,283, including principal and interest at 3.73%, maturing in 2035, secured by real property located at 59 Factory Street in Nashua, NH. 50,532

Total 7,392,887

Less amount due within one year (201,707)

Mortgages payable, net of current portion \$ 7,191,180

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

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------------|
| 2016 | \$ 201,707 |
| 2017 | 225,721 |
| 2018 | 242,625 |
| 2019 | 235,277 |
| 2020 | 249,036 |
| Thereafter | <u>6,238,521</u> |
| Total | \$ <u>7,392,887</u> |

17. Mortgages Payable, Deferred:

The Organization has deferred mortgages outstanding at June 30, 2015 totaling \$5,332,834. These loans are not required to be repaid unless the Organization is in default with the terms of the loan agreements or if an operating surplus occurs within that program.

Several of these loans are special financing from the New Hampshire Housing Finance Authority (NHHFA) to fund specific projects. These notes are interest free for thirty years with principal payments calculated annually at the discretion of the lender.

The following is a list of deferred mortgages payable at June 30, 2015:

| | <u>Program Operations</u> |
|--|-------------------------------|
| City of Manchester: | |
| Somerville Street property | \$ <u>300,000</u> |
| Total City of Manchester | 300,000 |
| City of Nashua: | |
| Factory Street property | 580,000 |
| Spring Street property | 491,000 |
| Charles Street property | 98,087 |
| High Street fire system | <u>65,000</u> |
| Total City of Nashua | 1,234,087 |
| Federal Home Loan Bank (FHLB): | |
| Factory Street property | 400,000 |
| Somerville Street property | 400,000 |
| Spring Street property | <u>398,747</u> |
| Total FHLB | 1,198,747 |
| NHHFA: | |
| Factory Street property | 1,000,000 |
| Spring Street property | 550,000 |
| Charles Street property | 50,000 |
| Somerville Street property | <u>1,000,000</u> |
| Total NHHFA | <u>2,600,000</u> |
| Total Mortgages Payable, Deferred | \$ <u>5,332,834</u> |

18. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes at June 30, 2015:

| <u>Purpose</u> | <u>Amount</u> |
|------------------------|------------------|
| Art supplies | \$ 433 |
| Client transportation | 2,558 |
| Christmas gifts | 300 |
| Dalianis bricks | 735 |
| HVRP client assistance | 6,858 |
| Operation brightside | 2,000 |
| PEC | 229 |
| SCOAP | 1,052 |
| Software | 25,000 |
| Standdown | 770 |
| Thanksgiving | 1,615 |
| Veterans computers | <u>5,630</u> |
| Total | <u>\$ 47,180</u> |

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the passage of time.

19. Transactions with Related Parties:

The Organization's clients perform janitorial services for Harbor Homes HUD I, II and III, Inc., Welcoming Light, Inc., Milford Regional Counseling Services, Inc., Healthy at Home, Inc., Greater Nashua Council on Alcoholism, and Southern NH HIV/AIDS Task Force, related organizations. These services are billed to the related organizations and reported as revenues in the accompanying financial statements.

The Organization currently has several contracts with Healthy at Home, Inc. to receive various skilled nursing services, CNA services and companion services for its clients. All of the contracts are based on per diem fees, ranging from \$16 per hour for companion services to \$100 per visit for skilled nursing services.

During the year, the Organization rented office space, under tenant at will agreements, to Southern NH HIV/AIDS Task Force, Greater Nashua Council on Alcoholism, and Healthy at Home, Inc., related parties. The rental income under these agreements totaled \$24,816, \$14,000 and \$60,000, respectively, for fiscal year 2015.

Harbor Homes, Inc. receives management fees from the related HUD projects.

The Organization is considered a commonly controlled organization with several related entities by way of its common board of directors. However, management feels that the principal prerequisites for preparing combined financial statements are not met, and therefore more meaningful separate statements have been prepared.

The following are the commonly controlled organizations:

Harbor Homes II, Inc.
Harbor Homes III, Inc.
HH Ownership, Inc.
Welcoming Light, Inc.
Milford Regional Counseling Services, Inc.
Healthy at Home, Inc.
Greater Nashua Council on Alcoholism
Southern NH HIV/AIDS Task Force

20. Deferred Compensation Plans:

The Organization maintains a 403(b) retirement plan. Upon meeting the eligibility criteria, employees can contribute a portion of their wages to the plan. The Organization matches a percentage of the employee contribution based on years of service. Total matching contributions paid by the Organization for the year ended June 30, 2015 were \$192,367.

The Organization maintains a deferred compensation plan for certain employees and directors (the "SA Plan"). The deferred compensation liability under the SA Plan was \$91,937 as of June 30, 2015 and was recorded as a long-term liability. This liability is offset by a corresponding long-term asset in the same amount.

21. Concentration of Risk:

The Organization receives 34%, 19%, 16% and 10% of its revenue from the Department of Health and Human Services, the Department of Housing and Urban Development, the Department of Veterans Affairs, and Medicaid, respectively.

22. Fair Value Measurements:

FASB ASC, *Fair Value Measurements*, provides guidance for using fair value to measure assets and liabilities. *Fair Value Measurements* applies whenever other standards require or permit assets or liabilities to be

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

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of financial instruments included in Level 1 are highly liquid instruments with quoted prices;
- Level 2 - Inputs from active markets, other than quoted prices for identical instruments, are used to model fair value. Significant inputs are directly observable from active markets for substantially the full term of the asset or liability being valued; and
- Level 3 - Pricing inputs significant to the valuation are unobservable. Inputs are developed based on the best information available; however, significant judgment is required by management in developing the inputs.

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

| | Carrying Value | Fair Value | Level One | Level Two | Level Three |
|--------------------------------|-------------------|-------------------|------------------|-------------|-------------------|
| Investments | \$ 10,299 | \$ 10,299 | \$ 10,299 | \$ - | \$ - |
| Due from related organizations | 409,638 | 409,638 | - | - | 409,638 |
| Beneficial interest | 149,503 | 149,503 | - | - | 149,503 |
| Total assets | \$ 569,440 | \$ 569,440 | \$ 10,299 | \$ - | \$ 559,141 |

(continued)

(continued)

| | Carrying Value | Fair Value | Level One | Level Two | Level Three |
|--------------------------------|----------------------|----------------------|-------------|----------------------|-------------------|
| Due to related organizations | \$ 109,364 | \$ 109,364 | \$ - | \$ - | \$ 109,364 |
| Line of credit | 733,319 | 733,319 | - | 733,319 | - |
| Capital leases payable | 104,557 | 104,557 | - | 104,557 | - |
| Mortgages payable, tax credits | 121,367 | 121,367 | - | - | 121,367 |
| Mortgages payable | 7,392,887 | 7,392,887 | - | 7,392,887 | - |
| Mortgages payable, deferred | 5,332,834 | 5,332,834 | - | 5,332,834 | - |
| Total liabilities | \$ 13,794,328 | \$ 13,794,328 | \$ - | \$ 13,563,597 | \$ 230,731 |

Fair Value Measurements
Using Significant Unobservable Inputs
Level 3

| | Due from related organizations | Beneficial Interest | Due to related organizations | Mortgages Payable, Tax Credits |
|-----------------------------|--------------------------------------|------------------------|---------------------------------|--------------------------------------|
| Beginning balance June 2014 | \$ 377,024 | \$ 148,204 | \$ 160,868 | \$ 142,410 |
| Advances | 380,480 | 1,299 | 227,119 | - |
| Reductions | (347,866) | - | (278,623) | (21,043) |
| Ending balance June 2015 | <u>\$ 409,638</u> | <u>\$ 149,503</u> | <u>\$ 109,364</u> | <u>\$ 121,367</u> |

23. Patient Service Revenue, Net:

The Organization recognizes patient services revenue associated with services provided to patients who have Medicaid, Medicare, third-party payor, and managed care plans coverage on the basis of contractual rates for services rendered. For uninsured self-pay patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates if negotiated or provided by the Organization's policy. Charity care services are computed using a sliding fee scale based on patient income and family size. On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a provision for bad debts related to uninsured patients in the period the services are provided.

The Organization accepts patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies, which define charity services as those costs for which no payment is anti-

pated. The Organization uses federally established poverty guidelines to assess the level of discount provided to the patient. The Organization is required to provide a full discount to patients with annual incomes at or below 100% of the poverty guidelines but may charge a nominal copay. If the patient is unable to pay the copay, the amount is written off to charity care. All patients are charged in accordance with a sliding fee discount program based on household size and household income. No discounts may be provided to patients with incomes over 200% of federal poverty guidelines.

Patient services revenue, net of provision for bad debts and contractual allowances and discounts, consists of the following:

| | 2015 | | | 2014 | |
|-------------------------|---------------|------------------------|----------------------------|-----------------------------|-----------------------------|
| | Gross Charges | Contractual Allowances | Charitable Care Allowances | Net Patient Service Revenue | Net Patient Service Revenue |
| Medicaid | \$ 1,085,578 | \$ (409,541) | \$ - | \$ 676,037 | \$ 127,975 |
| Medicare | 175,719 | (29,815) | - | 145,904 | 40,191 |
| Third-party | 346,960 | (225,953) | - | 121,007 | 37,144 |
| Sliding fee/free care | 162,567 | - | (148,638) | 13,929 | 41,922 |
| Self-pay | 123,384 | - | - | 123,384 | 147,126 |
| Subtotal | 1,894,208 | (665,309) | (148,638) | 1,080,261 | 394,358 |
| Provision for bad debts | | | | (187,084) | (166,783) |
| Total | | | | \$ 893,197 | \$ 227,575 |

24. Rent Expense:

The Organization has multiple grants requiring the payment of rents on behalf of the consumer. Rent expense totaling approximately \$3.8m is comprised of leases held in the Organization's name and the responsibility of the Organization, leases in consumers' names, or rents paid as client assistance.

25. Contingencies:

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments for patient service previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future financial effects of this matter on the Organization, if any, are not presently determinable.

26. Subsequent Events:

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2015 through December 10, 2015, the date the financial statements were available to be issued, have been evaluated by management for disclosure.

HARBOR HOMES, INC. AND AFFILIATES BOARD OF DIRECTORS

(Harbor Homes, Inc., HH Ownership, Inc., Welcoming Light, Inc., Healthy At Home, Inc., Milford Regional Counseling Services, Inc.
Greater Nashua Council on Alcoholism, Inc., Southern NH HIV Task Force)

David Aponovich - **Treasurer**

Vincent Chamberlain - **Chair**

Laurie Des Rochers

Laurie Goguen - **Secretary**

Nathan Goodwin

Alphonse Haettenschwiller

Lynn King

Captain James Lima

Naomi Moody

Dan Sallet

Geoff DeFranca

James Lima

Joel Jaffe

Phil Duhaime

Phil Richard

Rick Plante

CAROL J. FURLONG, LCMHC, MAC, MBA

SKILLS / ABILITIES / ACHIEVEMENTS PROFILE

Administration: Seasoned professional with progressive experience in diverse healthcare and educational environments, including operations, budget control, marketing, quality assurance, risk management, utilization review, facility design and management, human resources, and strategic planning.

Management: Self-starter with strong planning, controlling, organizing and leadership skills. Effectively manages resources and ensures compliance with established policies and procedures. Skilled in identifying and troubleshooting problem areas and implementing solutions. Developed comprehensive Quality Management program. Restructured billing, triage and customer service systems resulting in improved productivity and efficiency. Extensive managed care experience.

Human Resources: Skilled in recruiting, interviewing and selecting top personnel. Effective trainer, develops staff abilities to full potential. Motivates and retains employees using the mentor approach. Managed and supervised training and development of 100 personnel. Knowledgeable regarding multicultural issues. Effectively trained and prepared counseling professionals.

Communication: Articulate speaker and effective negotiator. Writes with strength, clarity and style. Natural ability to work with others. Consistently develops good rapport with staff, professionals, staff managers and community. Works well as part of a team or independently. Wrote and published several training and procedural manuals.

PROFESSIONAL EXPERIENCE

ASSISTANT DIRECTOR, SUPPORTIVE SERVICES/VP OPERATIONS
Harbor Home, Inc.

2005-present

Senior management position overseeing residential and administrative staff of approximately 250 employees and coordinating a continuum of service delivery for the mentally ill and homeless and other populations. Develops and updates program plans, assures monitoring of implementation and develops/implements corrective actions as indicated. Provides education/consultation to staff, other agencies or community groups. Provides direct or indirect supervision to a clinical staff of 40 approximately Program Managers and MIMS workers. Assures quality/appropriateness of critical aspects of care through ongoing monitoring.

DIRECTOR OF COMMUNITY SUPPORT SERVICES DEPARTMENT
Community Council of Nashua

2003 - 2005
Nashua, NH

Develops and updates program plans, assures monitoring of implementation and develops/implements corrective actions as indicated. Provides education/consultation to staff, other agencies or community groups. Provides supervision to a clinical staff of approximately 40 therapists, case managers and MIMS workers. Develops Regional Planning of adult services. Assures quality/appropriateness of critical aspects of care through ongoing monitoring.

DIRECTOR OF OUTCOMES & SYSTEM IMPROVEMENT
Community Council of Nashua

1999-2003
Nashua, NH

Developed and maintains a Quality Management Program complying with NCQA and JCAHO standards. Monitored and supervised utilization review, evaluating the medical necessity, case management and continuation of care. Developed effective medical records protocols. Directs training and development function for the agency. Coordinated efforts resulting in highly successful JCAHO survey. Coordinates Customer Service and complaints process.

ADJUNCT FACULTY
Rivier College

1998-2005
Nashua, NH

Graduate Counseling Program - Instruct graduate counseling students in a variety of courses to include Group Therapy, Counseling Techniques, Substance Abuse Counseling, Clinical Assessment, Marriages & Family Therapy, and Prescriptive Behavioral Management Techniques. Have facilitated several Independent Study courses in a variety of topics.

PRIVATE PRACTICE
Nashua, NH

1999-Present

Maintains private practice of approximately 40 clients. Coordinates care with primary care physicians and others. Coordinates treatment with managed care companies.

DIRECTOR OF REGIONAL BEHAVIORAL HEALTH QM

1997-1999

The Hitchcock Clinic

Bedford, NH

Developed and maintained a Quality Management Program complying with NOQA standards for four Behavioral Health sites. Developed and implemented program expansion. Identified staffing requirements and facilitated subsequent downsizing to ensure cost effectiveness. Liaison between the Clinic and insurance plans. Monitored and supervised utilization review for the Southern Region, evaluating the medical necessity, case management and continuation of care. Recommended by insurance reviewers to other organizations for consultation services in order to assist these agencies in their compliance processes. Developed effective medical records protocols.

COORDINATOR OF MULTICULTURAL COUNSELING PROGRAM

1996-1999

Rivier College

Nashua, NH

Coordinates the Bilingual/Multicultural Counseling Program in both guidance counseling and mental health fields. Recruits and advises professional students from local multicultural agencies. Developing a diversity-training program for use in area schools and businesses to enhance multicultural awareness. Instructor in Graduate Counseling Program.

CLINICAL DIRECTOR

1994-1997

The Hitchcock Clinic

Nashua, NH

Developed and implemented program policies and procedures. Managed FTE and budgetary control while providing effective leadership to the staff. Improved out-referral system, while reducing out-referral expenditures. Developed cooperative collaboration measures with insurers' UM Departments. Supervised a staff of thirty employees. Senior member of the Regional Management Team, and also a member of the Nashua Medical Group Board of Governors.

PROGRAM DIRECTOR

1988-1990

Partial Hospitalization Program, Brookside Hospital

Nashua, NH

Developed program components, structure, policies and procedures. Implemented FTE and budgetary control and supervised treatment staff. Initiated referral network and maintained marketing and referral relationships within the Greater Nashua community. Facilitated groups, provided case management and individual counseling including initial assessments. Monitored case management and utilization review processes with insurers.

PROGRAM DIRECTOR - SUBSTANCE ABUSE CLINIC

1985-1988

Department of the Army

West Germany

Developed comprehensive preventive substance abuse program. Coordinated efforts with schools, civic organizations, civilian agencies and military organizations in order to integrate preventive education efforts. Supervised clinical and support staff of two treatment clinics. Maintained referral relationships with commanders.

ARMY COMMUNITY SERVICE DIRECTOR

1983-1985

Department of the Army

West Germany

Developed comprehensive community support agency. Responsible for staffing and budgetary concerns. Composed informational publications, prepared financial and statistical reports and submitted budget requests to the U. S. government for agency funding. Responsible for FAP (Family Advocacy Program).

EDUCATION

**MASTERS OF BUSINESS ADMINISTRATION DEGREE
IN HEALTHCARE ADMINISTRATION - 2001**
Rivier College, Nashua

MASTERS OF SCIENCE IN EDUCATION (COUNSELING) - 1986
University of Southern California

BACHELORS IN EDUCATION (SPECIAL EDUCATION) - 1974
Westfield State College, Westfield, MA

LICENSES AND CERTIFICATIONS

LICENSED CLINICAL MENTAL HEALTH COUNSELOR
New Hampshire License #108 - 1998

MASTERS ADDICTION COUNSELOR CERTIFICATION
1997

Graciela Silvia Slronich-Kalkan MD.

Medical Education

Universidad de Buenos Aires
Ciudad Autónoma de Buenos Aires
Argentina
MD, 12/21/1979

School Awards & Membership in Honorary/ Professional Societies

Cardiology Argentine Society: 1982-1986 associated member
Azcuena 980, Ciudad Autónoma de Buenos Aires, Argentina.
Intensive Care Argentine Society: 1985-1992 associated member 1992-1997 Board's Member
Cnel. Niceto Vega 4617, Ciudad Autónoma de Buenos Aires, Argentina.
Argentine Association of Enteral and Parenteral Nutrition: 1983-1997, Founder and Board's
Member
Lavalle 3643 3F Ciudad Autónoma de Buenos Aires, Argentina.
Biologic's Security Committee Navy Hospital: 1985-1997 Board's Member 1986-1997
Patricias Argentinas 351, Ciudad Autónoma de Buenos Aires, Argentina.

Certifications / Licensure

NPI: 1760751531

State of New Hampshire Full License 2/1/2012 to 6/30/2014 # 15553

DEA Registration: FS 2954851

State of New Hampshire Temporary License Date 11/02/2011 to 5/12/2012 #T0566

State of Massachusetts Limited License #222359 Exp. Date 06/30/2005

DEA Registration#AS4148501E136,

ACLS Certification

U.S.M.L.E/ E.C.F.M.G: 08/27/2001

Argentina:

Pan-American & Iberic Federation of Intensive Care Medicine. Degree of Certification in Critical Care Medicine. Diploma of Accreditation, Lisbon, Portugal 1995.

National Academy of Medicine, Ciudad Autónoma de Buenos Aires, Argentina. Certification of Professional Physicians as Critical Care Specialist. 1993.

Certificate of Specialist Argentine Society of Critical Care, Ciudad Autónoma de Buenos Aires, Argentina. 1993

Specialist in Critical Care, Ministry of Health and Social Security, Federal District, Ciudad Autonoma de Buenos Aires, Argentina. 1991.

National License: #58049 October Active 1980-March 1997 Book 17, Page 18

Province of Buenos Aires School 2nd District: #28446 08/1980 Book XI page 192

Avellaneda, Province of Buenos Aires, Argentina.

Work Experience:

The Doctor's office:

102 Bay Street, Manchester, NH 03104

General Practice, November 2011-present.

American Red Cross Massachusetts Bay Chapter:

139 Main St Cambridge, MA 02142-1530

Health and Safety: Part Time Instructor in English and Spanish in CPR/AED Adults, Children, Infants and First Aid. 06/2011~present.

The Doctor's Office:

102 Bay Street, Manchester, NH 03104

First Line Therapy Lifestyle Educator, Coach. 05/2011-present.

Caritas Saint Elizabeth's Medical Center.

736 Cambridge Street, Brighton, MA.02135

Department of Internal Medicine: Observer 03/2003- 12/2003

Laurence General Hospital,

1 General Street, Lawrence, MA. 01842

Observer, shadowing an Attending Neurologist 11/2002- 03/2003

Hewlett Packard, Medical Division

3000 Minuteman Rd, Andover MA. 01810

Medical Consultant for Latin America Field Operations 09/1997-12/1999

Navy Hospital Major Surgeon Pedro Mallo.

Patricias Argentinas 351, Ciudad Autónoma de Buenos Aires, Argentina.

Chief Surgical Care Unit

Clinic and administrative management of the Unit. Instructor for medical students and residents. 01/92—03/97

Colegiales Clinic

Conde 851, Ciudad Autónoma de Buenos Aires, Argentina

Critical Care Coordinator.

Contributed of the management of the Unit. Coordinator of Critical Care actualization courses. 07/1991-06/1993

Clinica Modelo Los Cedros.

San Justo, Provincia de Buenos Aires, Argentina

Chief, Intensive Care Unit

Clinic and administrative Management of the Unit. 07/1990-06/1991

Nephrologic Medical Center Oeste.

Ciudadela, Provincia de Buenos Aires, Argentina.

Attending Physician, Hemodialysis Unit. 02/1987-08/1988

Navy Hospital Major Surgeon Pedro Mallo.

Patricias Argentinas 351, Ciudad Autónoma de Buenos Aires, Argentina.

Attending Physician, Critical Care Unit. 07/1984-01/1992

Navy Hospital Major Surgeon Pedro Mallo.

Patricias Argentinas 351, Ciudad Autónoma de Buenos Aires, Argentina.

On call Physician, Coronary Care Unit. 01/84-07/1984

Bazterrica Clinic

Juncal 3002, Ciudad Autónoma de Buenos Aires, Argentina.

On call Physician, Critical Care Unit. 09/1980-12/1987

Residencies/Fellowships

Caritas Saint Elizabeth's Medical Center

736 Cambridge St, Brighton, MA, 02135 United States of America.

General Surgery. 07/2004-06/2005

Marvin Lopez M.D. FACS, FRCSC.

Hackford Alan M.D.

University of Salvador

Post Graduate School of medicine

Tucumán 1845/59, Ciudad Autónoma de Buenos Aires, Argentina.

Universitary Extenslon Critical Care 05/1983-12/1984

Professor Eduardo Abbate MD, Course Director, Professor Luis J Gonzalez Montaner MD, Dean of School of Medicine

Carlos Durand Hospital

Cardiology División

Díaz Vélez 5044, Ciudad Autónoma de Buenos Aires, Argentina

Cardiology-Internal Medicine. 03/1982-06/1984

Alberto Demartini MD., Professor German Strigler MD.

Ignacio Pirovano Hospital

Monroe 3555, Ciudad Autónoma de Buenos Aires, Argentina.

Internal Medicine. 03/1981-02/1982

Professor Navarret MD. Professor Cottone MD. 03 / 1981 - 02 / 1982

City of Buenos Aires Municipality

City of Buenos Aires Hospitals

Critical Care Units

Annual Course of theory and practice in Critical Care.

Professor Francisco Maglio MD., Claudio Goldini MD., Roberto Menendez MD., Professor

Roberto Padron MD. 03/1980-02/1981

Publicatlons/ Presentations/Poster Sessions

Graciela Silvia Sironich, Biochemlstry Faculty, UBA. Nutrition Department and Mater Dei, Nutrition in acute pancreatitis, Publication Date: 09 / 1999, Volume: 1, Pages: 235; 242.

Bazaluzzo J M; Sironich Graciela; Catalano H.; Quiroga J. La Prensa Medica Argentina, Nutritional Evaluation by anthropometric method. Publication Date: 11 / 1992, Volume: N/A.

Sironich Graciela; Catalano H.; Milei L.; Lancestremere M. Magazine XXIV Annual Meeting of the Argentine Society of Clinical Investigation. Sodium and plasmatic osmolarity variations in neurosurgical patients. Publication Date: 11 / 1989 , Volume: 1/1989, Pages: N/A.

CONTRACTOR NAME

Key Personnel

| Name | Job Title | Salary | % Paid from this Contract | Amount Paid from this Contract |
|----------------------------------|------------------|--------------|---------------------------|--------------------------------|
| Peter Kelleher | President & CEO | \$171,099 | 0% | \$0 |
| Patricia Robitaille | VP of Finance | \$102,856 | 0% | \$0 |
| Carol Furlong | VP of Operations | \$93,499.90 | 2% | \$1,869.99 |
| Graciella Silvia Sironich-Kalkan | Medical Director | \$146,877.12 | 5% | \$7,343.85 |
| | | | | |

4U 33

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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN
SERVICES



29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-3958 1-800-852-3345 Ext. 3958
Fax: 603-271-4934 TDD Access: 1-800-735-2964

Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

March 25, 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 of Public Health Services, to establish a list of dentists, with the ability to expand said list to include additional interested dental contractors to provide necessary dental treatment for clients enrolled in the New Hampshire Ryan White CARE Program. No maximum client or service volume is guaranteed. Accordingly, the price limitation among all Agreements is \$100,000 each State Fiscal Year for a total of \$200,000. The Agreements are effective date of Governor and Executive Council approval through June 30, 2016. 100% other funds.

| VENDOR | LOCATION |
|--------------------|------------|
| Harbor Homes, Inc. | Nashua, NH |

Funds are available in the following account for SFY 2015, and are anticipated to be available in SFY 2016 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts between State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, PHARMACEUTICAL REBATES

| Fiscal Year | Class/Account | Class Title | Job Number | Total Amount |
|-------------|---------------|--------------|--------------|------------------|
| SFY 2015 | 530-500371 | Drug Rebates | 90024608 | \$100,000 |
| SFY 2016 | 530-500371 | Drug Rebates | 90024608 | \$100,000 |
| | | | Total | \$200,000 |

EXPLANATION

This requested action seeks approval of one (1) of seven (7) agreements that will ensure the provision of dental treatment and other oral health services to New Hampshire residents living with Human Immunodeficiency Virus (HIV), statewide that are enrolled in the New Hampshire Ryan White CARE Program. The licensed Dentists will provide dental treatment and other oral health services to enrolled clients, on an individual, case-by-case, as needed basis. The Governor and Executive Council has previously approved four (4) agreements and anticipates that the remaining (2) two agreements will be presented at an upcoming Governor and Executive Council meeting.

The New Hampshire Ryan White CARE Program receives funding from the Health Resources and Services Administration (HRSA), Ryan White HIV/AIDS Program, Part B for medical services, oral health, and home health care services. HRSA funding is in accordance with the Ryan White HIV/AIDS Treatment Extension Act of 2009. The intent of the legislation and federal funding is to assure access to care for financially eligible individuals living with HIV/AIDS. A recipient of federal funding, the New Hampshire Ryan White CARE Program is subject to the federal mandate to implement contractual agreements with all service providers and to maintain nationally accepted fiscal, programmatic, and monitoring standards established by HRSA. Federal regulation also requires that Ryan White CARE Program funds be used as a "payer of last resort".

Should Governor and Executive Council not authorize this Request, federal regulations and monitoring standards will not be met and eligible New Hampshire residents living with HIV with immediate oral health needs and without access to care will not receive prevention and treatment for dental conditions. The services in this Contract will promote the goals of the National HIV/AIDS Strategy and maintain a continuum of care in order to reduce HIV related health disparities and the occurrence of negative health outcomes. The program currently provides services to approximately 450 to 500 clients statewide.

A Request for Applications was posted on the Department of Health and Human Services' web site on April 4, 2014 to solicit dentists to provide dental services to New Hampshire Ryan White CARE program clients. In addition, an email was sent to twelve (12) known dental providers for Ryan White Part B services on April 4, 2014, notifying them that a Request for Application was posted. Seven (7) applications were received from licensed dentists, and were approved for funding.

As referenced in the Request for Application and in exhibit C-1, Revisions to General Provisions, this Agreement has the option to extend for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
March 25, 2015
Page 3

The performance of this program will be measured by the number of New Hampshire Ryan White CARE Program clients that actually receive dental services.

The geographic area to be served is statewide.

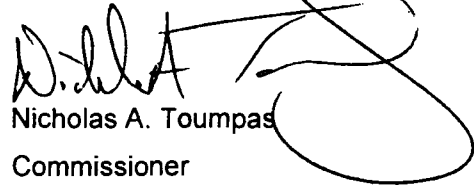
Source of Funds: 100% Other Funds from the Pharmaceutical Rebates.

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

Respectfully submitted,



José Thier Montero, MD, MHCDS
Director



Approved by: Nicholas A. Toumpas
Commissioner

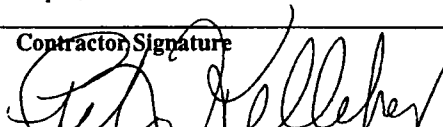
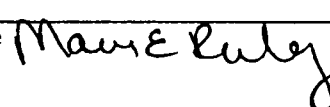

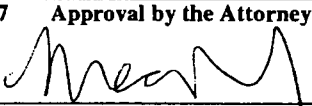
Subject: New Hampshire Ryan White CARE Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

| | | | |
|--|---|--|-----------------------------------|
| 1.1 State Agency Name NH Department of Health and Human Services | | 1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857 | |
| 1.3 Contractor Name Harbor Homes, Inc. | | 1.4 Contractor Address 45 High Street Nashua, NH 03060 | |
| 1.5 Contractor Phone Number 603-882-3616 | 1.6 Account Number 05-95-90-902510-2229-530-500371 | 1.7 Completion Date June 30, 2016 | 1.8 Price Limitation \$200,000 |
| 1.9 Contracting Officer for State Agency Brook Dupee, Bureau Chief | | 1.10 State Agency Telephone Number 603-271-4483 | |
| 1.11 Contractor Signature  | | 1.12 Name and Title of Contractor Signatory Peter Kelleher, President and CEO | |
| 1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>7/2/15</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12. | | | |
| 1.13.1 Signature of Notary Public or Justice of the Peace [Seal] | |  MARY E. RUBY NOTARY PUBLIC STATE OF NEW HAMPSHIRE My commission expires June 19, 2018 | |
| 1.13.2 Name and Title of Notary or Justice of the Peace | | | |
| 1.14 State Agency Signature  | | 1.15 Name and Title of State Agency Signatory Brook Dupee, Bureau Chief | |
| 1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____ | | | |
| 1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Megan A. Yule, Attorney On: <u>5/1/15</u> | | | |
| 1.18 Approval by the Governor and Executive Council By: _____ On: _____ | | | |

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

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

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

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

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

7. PERSONNEL.

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

Contractor Initials: MN
Date: 3/25/15

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: 
Date: 9/25/15

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.


Contractor Initials: 
Date: 3/25/15



Exhibit A

Scope of Services

1. Program Name: New Hampshire Ryan White CARE Program

1.1. Purpose:

The purpose of this agreement is to perform necessary dental treatment for clients enrolled in the New Hampshire Ryan White CARE Program (NH CARE Program). The goal of the NH CARE Program is to provide financial assistance for necessary dental treatment and other oral health services, to uninsured and underinsured New Hampshire (NH) residents living with Human Immunodeficiency Virus (HIV), statewide.

2. Provision of Services:

- 2.1. The Contractor shall act as a representative of the NH CARE Program to provide preventive and restorative dental care to uninsured and underinsured NH CARE Program clients.
- 2.2. The Contractor shall provide services to enrolled NH CARE Program clients only; services provided outside of enrollment periods will not be reimbursed.
- 2.3. The Contractor shall refer clients to their Medical Case Manager as needed to re-enroll in the NH CARE Program.
- 2.4. The Contractor shall invoice NH CARE Program for services using a health insurance claim form or reasonable facsimile; additional invoicing methods may be approved by the NH CARE Program.
- 2.5. The Contractor shall invoice NH CARE Program according to the NH CARE Program Dental Fee Schedule; request approval for additional services through the Contract Monitor.
- 2.6. The Contractor shall participate in an annual site visit with NH CARE Program staff.
- 2.7. The Contractor shall provide client level data as requested by the NH CARE Program, for the completion of annual reports to the Health Resources and Services Administration (HRSA).
- 2.8. The Contractor shall maximize billing to NH Medicaid and private dental insurance. The NH CARE Program shall be the payer of last resort and will only reimburse services for uninsured and underinsured clients.

3. Licensing Requirements:

Dentist(s) performing services under this agreement must possess a current dental license issued by the State of New Hampshire Board of Dental Examiners.

[Handwritten initials]

3/25/15



Exhibit A

4. Dental providers shall adhere to the NH CARE Program Standards of Care for Oral Health Services, and all applicable Programmatic, Fiscal and Universal Monitoring Standards, as documented by the HRSA:

- <http://hab.hrsa.gov/manageyourgrant/files/programmonitoringpartb.pdf>
- <http://hab.hrsa.gov/manageyourgrant/files/fiscalmonitoringpartb.pdf>
- <http://hab.hrsa.gov/manageyourgrant/files/universalmonitoringpartab.pdf>

5. The Department of Health and Human Services reserves the right to discontinue this agreement should it discover any abridgment of the above partner agreements that jeopardize the intent of this agreement.

6. Entire Agreement:

The following documents are incorporated by reference into this Agreement and they constitute the entire Agreement between the State and the Contactor. General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit B-1 Dental Fee Schedule, Exhibit C Special Provisions, Exhibit C-1 Additional special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability Accountability Act Business Associate Agreement, and Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict of contradiction between or among the Agreement Documents, the documents shall control in the above order of precedence.

[Handwritten Signature]
[Handwritten Date: 3/25/15]



Exhibit B

Method and Conditions Precedent to Payment

1. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Bureau of Infectious Disease Control shall reimburse the Contractor for actual dental service(s) provided by the contractor to enrolled NH CARE Program clients. Reimbursement shall be based on the NH CARE Program Dental Fee Schedule identified in Exhibit B-1.
2. Price Limitation. This Agreement is one of multiple Agreements that will serve NH Ryan White CARE Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
3. Notwithstanding anything to the contrary herein, the Contactor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services have not been satisfactorily completed in accordance with the terms and conditions of this Agreement.
4. The funding source for this Agreement for Dental Services is 100% Other Funds from the Pharmaceutical Rebates.
5. Contract dentists shall complete and submit a Dental Claim invoice, due within 30 days. Completed invoice must be submitted to:

NH CARE Program
Bureau of Infectious Disease Control
Department of Health and Human Services
Division of Public Health
29 Hazen Drive
Concord, NH 03301
Fax: 603-271-4934
6. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available. Contractor will keep detailed records of their dental services related to Department of Health and Human Services funded programs and services.
7. Dentists are accountable to meet the scope of services. Failure to meet the scope of services may jeopardize the funded Dentist's current and/or future funding. Corrective action may include actions such as a contract amendment or termination of the contract.

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3/25/15



Exhibit B-1

| NH CARE Program Dental Fee Schedule 2014 - 2015 | | |
|---|---|--------|
| Code | Procedure | Fee |
| D0120 | Periodic oral evaluation | 41.00 |
| D0140 | Limited oral evaluation | 60.00 |
| D0150 | Comprehensive oral evaluation | 62.00 |
| D0210 | Intraoral-complete series | 96.00 |
| D0220 | Intraoral-Periapical 1st film | 15.00 |
| D0230 | Intraoral-Periapical each additional | 10.00 |
| D0270 | Bitewings - Xray | 17.00 |
| D0272 | Bitewings - two films | 25.00 |
| D0274 | Bitewings - four films | 45.00 |
| D0330 | Panoramic film | 83.00 |
| D1110 | Prophylaxis adult | 85.00 |
| D1120 | Prophylaxis child | 38.00 |
| D2140 | Amalgam - 1 surface | 150.00 |
| D2150 | Amalgam - 2 surface | 155.00 |
| D2160 | Amalgam - 3 surface | 180.00 |
| D2161 | Amalgam - 4/4+ surface | 200.00 |
| D2330 | Resin-1 surface anterior | 131.00 |
| D2331 | Resin-2 surface anterior | 143.00 |
| D2332 | Resin-3 surface anterior | 147.00 |
| D2335 | Resin-4/4+ surface anterior | 165.00 |
| D2391 | Resin-1 surface posterior | 150.00 |
| D2392 | Resin-2 surface posterior | 155.00 |
| D2393 | Resin-3 surface posterior | 180.00 |
| D2394 | Resin-4/4+ surface posterior | 200.00 |
| D2940 | Sedative Filling | 75.00 |
| D4341 | Scaling and root planing (per quadrant) | 100.00 |
| D4355 | Full mouth debridement | 90.00 |
| D4910 | Periodontal Maintenance | 120.00 |
| D5110 | Complete denture-maxillary | 800.00 |
| D5120 | Complete denture-mandibular | 800.00 |
| D5130 | Immediate denture-maxillary | 875.00 |
| D5140 | Immediate denture-mandibular | 875.00 |
| D5211 | Maxillary partial-resin base | 600.00 |
| D5212 | Maxillary partial-resin base | 600.00 |

[Handwritten Signature]
 3/25/15



Exhibit B-1

| | | |
|-------|--|----------|
| D5213 | Max partial-cast metal w/resin | 1,300.00 |
| D5214 | Mand partial-cast metal w/resin | 1,200.00 |
| D5410 | Adjust complete denture, maxillary | 50.00 |
| D5411 | Adjust complete denture, mandibular | 50.00 |
| D5421 | Adjust partial denture, maxillary | 50.00 |
| D5422 | Adjust partial denture, mandibular | 50.00 |
| D5520 | Replace denture teeth | 127.00 |
| D5670 | Replace All Teeth/Acrilic on cast metal framework\$359 | 359.00 |
| D5750 | Reline complete maxillary denture | 244.00 |
| D5751 | Reline complete mandibular denture | 244.00 |
| D7140 | Extraction-erupted/exposed | 150.00 |
| D7210 | Extraction-surgical-imp bony | 225.00 |
| D7240 | Removal of Impacted Tooth | 348.00 |
| D7310 | Alveoloplasty - per quaddrant | 275.00 |
| D7472 | Removal of torus palatinus Mandibular - 2 quadrants | 400.00 |
| D5760 | Reline maxillary parital denture | 99.00 |
| D5761 | Reline mandibular partial denture | 99.00 |
| D9110 | Palliative Tx of Dental Pain | 33.00 |
| D9220 | Gen anesthesia (first 30 minutes) | 100.00 |
| D9221 | Gen anesthesia (each additional 15 minutes) | 40.00 |
| D9241 | Intravenous Conscious Sedation/first 30 min | 100.00 |
| D9242 | Intravenous Conscious Sedation/ea add'l 30 min | 40.00 |
| D9310 | Dental Consultation | 68.00 |
| D9612 | Parenteral Drug Injection (\$77 each) | 77.00 |
| D9940 | Mouth Guard | 110.00 |
| | <i>Additional services may be approved by DHHS on a case by case basis</i> | |
| | R:\OCPH\FCH\STDHIV\Group\CARE Program\Policy & Procedures\Dental | |

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3/25/15



SPECIAL PROVISIONS

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

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

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3/25/15



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

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

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

POW
3/25/18



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

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



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

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

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

- (a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.
- (b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- (c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
- When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
 - 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
 - 19.3. Monitor the subcontractor's performance on an ongoing basis



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

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

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.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

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.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

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



REVISIONS TO GENERAL PROVISIONS

- 1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.

- 2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.


- 3. Extension:

This agreement has the option for a potential extension of up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

- 4. Insurance:

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 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 and umbrella liability coverage in the amount of \$5,000,000 per occurrence.


Date 3/25/15



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

[Handwritten Signature]
3/25/15



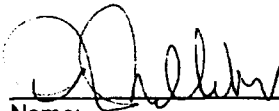
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted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


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

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

Contractor Name:

3/25/15
Date


Name:
Title:

Contractor Initials 
Date 3/25/15



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

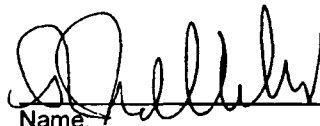
The undersigned certifies, to the best of his or her knowledge and belief, that:


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

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

Contractor Name:

3/25/15
Date


Name:
Title:


3/25/15



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

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

INSTRUCTIONS FOR CERTIFICATION

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



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

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

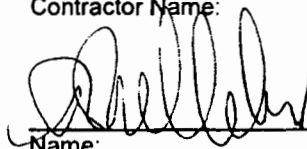
PRIMARY COVERED TRANSACTIONS


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

LOWER TIER COVERED TRANSACTIONS

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

3/25/15
Date

Contractor Name:

Name:
Title:

Contractor Initials 
Date 3/25/15



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

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

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

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

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

Exhibit G

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

Contractor Initials

3/25/15

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:

3/25/15
Date

[Signature]
Name:
Title:

Exhibit G

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

Contractor Initials

[Signature]

Date

3/25/15



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

3/25/15
Date

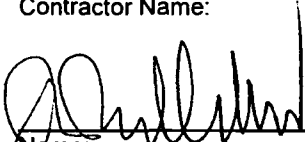
Contractor Name:

Name:
Title:



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Exhibit I – Health Insurance Portability and Accountability Act, Business Associate Agreement does not apply to this contract.

Handwritten initials, possibly 'DW', written in black ink.

3/25/15



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

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

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

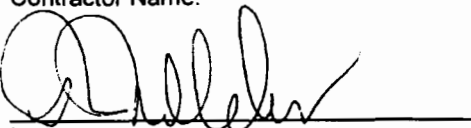
1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)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

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

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

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

3/25/15
Date

Contractor Name:

Name:
Title:

Contractor Initials
Date 3/25/15



FORM A

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

1. The DUNS number for your entity is: 13-1864351
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

_____ NO YES

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

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

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

_____ NO YES

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

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

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

| | |
|-------------|---------------|
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |

[Handwritten Signature]
3/25/15



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the
NH Ryan White CARE Program Dental Treatment and Oral Health Services Contract**

This first Amendment to the NH Ryan White CARE Program Dental Treatment and Oral Health Services Contract, (hereinafter referred to as "Amendment #1") dated this 25th day of January, 2016, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Mary Hitchcock Memorial Hospital dba Dartmouth Hitchcock Clinic. (hereinafter referred to as "the Contractor") a nonprofit corporation with a place of business located at One Medical Center Drive, Lebanon, NH 03756.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on March 25, 2015, Item #11, 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 C-1 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 contract price limitation and extend the contract completion date to support continued delivery of these services; 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, Block 1.7, Completion Date, to read:
June 30, 2018
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$400,000
3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:
Eric D. Borrin
4. Form P-37, General Provisions, Item 1.10, State Agency Telephone Number, to read:
(603) 271-9558
5. Exhibit B-1, Table Header, NH CARE Program Dental Fee Schedule 2014 – 2015, to read:
NH CARE Program Dental Fee Schedule

New Hampshire Department of Health and Human 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,

2/25/16
Date

State of New Hampshire
Department of Health and Human Services
Marcella J. Bobrowsky
Name: Marcella J. Bobrowsky
Title: Acting Director

4-15-2016
Date

Mary Hitchcock Memorial Hospital dba Dartmouth
Hitchcock Clinic
Daniel P. Jantzen
Name: Daniel P. Jantzen
Title: COO

Acknowledgement:

State of New Hampshire County of Grafton on 4-15-2016 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~~

Keith Johnston
Name and Title of Notary or ~~Justice of the Peace~~



New Hampshire Department of Health and Human Services



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

OFFICE OF THE ATTORNEY GENERAL

5/16/14
Date

Megan A. Yopl
Name: Megan A. Yopl
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

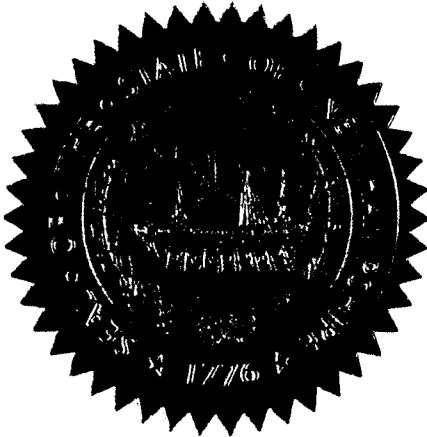
Date

Name:
Title:

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 MARY HITCHCOCK MEMORIAL HOSPITAL is a New Hampshire nonprofit corporation formed August 7, 1889. 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 13th day of April A.D. 2016

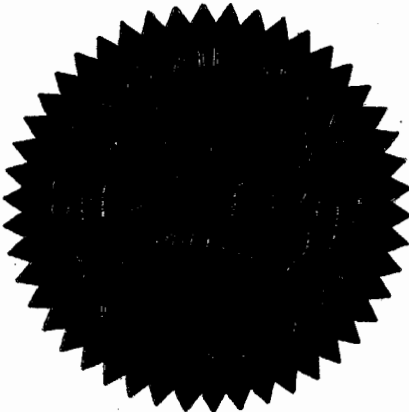
A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

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 DARTMOUTH-HITCHCOCK CLINIC is a New Hampshire nonprofit corporation formed March 1, 1983. 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 18th day of March, A.D. 2016

William M. Gardner
Secretary of State

- Search
- By Business Name
- By Business ID
- By Registered Agent
- Annual Report
- File Online
- Guidelines
- Name Availability
- Name Appeal Process

Date: 5/17/2016 **Filed Documents**
 (Annual Report History, View Images, etc.)

Business Name History

| Name | Name Type |
|----------------------------|------------|
| DARTMOUTH-HITCHCOCK CLINIC | Legal |
| THE HITCHCOCK CLINIC | Prev Legal |
| HITCHCOCK CLINIC | Prev Legal |

Non-Profit Corporation - Domestic - Information

Business ID: 69168
Status: Good Standing
Entity Creation Date: 3/1/1983
Principal Office Address: 1 MEDICAL CENTER DRIVE
 LEBANON NH 03756
Principal Mailing Address: ONE MEDICAL CENTER DR
 Lebanon NH 03756
Expiration Date: Perpetual
Last Annual Report Filed Date: 9/22/2015 10:43:29 AM
Last Annual Report Filed: 2015

Registered Agent

Agent Name:
Office Address: No Address
Mailing Address: No Address

Important Note: The status reflected for each entity on this website only refers to the status of the entity's filing requirements with this office. It does not necessarily reflect the disciplinary status of the entity with any state agency. Requests for disciplinary information should be directed to agencies with licensing or other regulatory authority over the entity.

CERTIFICATE OF VOTE/AUTHORITY

I, Anne-Lee Verville of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital, do hereby certify that:

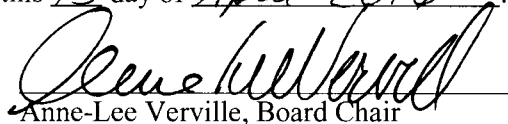
1. I am the duly elected Chair of the Board of Trustees of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital;
2. The following is a true and accurate excerpt from the December 7th, 2012 Bylaws of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital:

ARTICLE I – Section A. Fiduciary Duty. Stewardship over Corporate Assets

“In exercising this [fiduciary] duty, the Board may, consistent with the Corporation’s Articles of Agreement and these Bylaws, delegate authority to the Board of Governors, Board Committees and various officers the right to give input with respect to issues and strategies, incur indebtedness, make expenditures, enter into contracts and agreements and take such other binding actions on behalf of the Corporation as may be necessary or desirable.”

3. Article I – Section A, as referenced above, provides authority for the chief officers, including the Chief Executive Officer and Chief Operating Officer, of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital to sign and deliver, either individually or collectively, on behalf of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital.
4. Daniel P. Jantzen is the Chief Operating Officer of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital and therefore has the authority to enter into contracts and agreements on behalf of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital.

IN WITNESS WHEREOF, I have hereunto set my hand as the Chair of the Board of Trustees of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital this 15 day of April 2016.



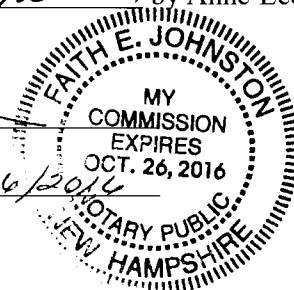
Anne-Lee Verville, Board Chair

STATE OF NHCOUNTY OF GRAFTON

The foregoing instrument was acknowledged before me this 15 day of April 2016 by Anne-Lee Verville.



Notary Public

My Commission Expires: 10/26/2016

CERTIFICATE OF INSURANCE

DATE: March 22, 2016

COMPANY AFFORDING COVERAGE

Hamden Assurance Risk Retention Group, Inc.
 P.O. Box 1687
 30 Main Street, Suite 330
 Burlington, VT 05401

This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded by the policies below.

INSURED

Mary Hitchcock Memorial Hospital
 One Medical Center Drive
 Lebanon, NH 03756
 (603)653-6850

COVERAGES

This is to certify that the Policy listed below have been issued to the Named Insured 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. This policy issued by a risk retention group may not be subject to all insurance laws and regulations in all states. State insurance insolvency funds are not available to a risk retention group policy.

| TYPE OF INSURANCE | | POLICY NUMBER | POLICY EFFECTIVE DATE | POLICY EXPIRATION DATE | LIMITS | |
|-------------------|------------------------------|---------------|-----------------------|------------------------|----------------------------|-------------|
| X | COMMERCIAL GENERAL LIABILITY | 0002015-A | 07/01/2015 | 06/30/2016 | GENERAL AGGREGATE | \$2,000,000 |
| | | | | | PRODUCTS-COMP/OP AGGREGATE | |
| | | | | | PERSONAL ADV INJURY | |
| | | | | | EACH OCCURRENCE | \$1,000,000 |
| | | | | | FIRE DAMAGE | |
| x | CLAIMS MADE | | | | | |
| | OCCURRENCE | | | | | |
| | PROFESSIONAL LIABILITY | 0002015-A | 07/01/2015 | 06/30/2016 | EACH OCCURENCE | \$1,000,000 |
| | | | | | ANNUAL AGGREGATE | \$3,000,000 |
| | OTHER | | | | | |

DESCRIPTION OF OPERATIONS/ LOCATIONS/ VEHICLES/ SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO RETENTIONS)

Certificate of Insurance issued as evidence of insurance for activities related to the State of New Hampshire Contract.

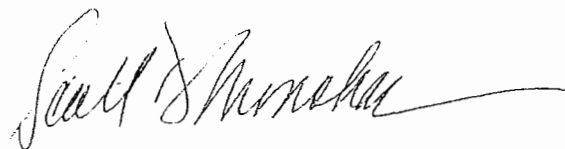
CERTIFICATE HOLDER

State of New Hampshire
 129 Pleasant Street- Brown Bldg
 Concord, NH 03301

CANCELLATION

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 DAYS written notice to the certificate holder named below, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

AUTHORIZED REPRESENTATIVES



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/15/2016

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).

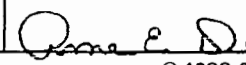
| | | |
|--|--|------------------------------------|
| PRODUCER HUB Healthcare Solutions HUB International New England 100 Central Street, 2nd Floor Holliston, MA 01746 | CONTACT NAME: Jessica Kelley PHONE (A/C, No, Ext): 978-661-6233 E-MAIL ADDRESS: jessica.kelley@hubinternational.com | FAX (A/C, No): 866-381-4798 |
| | INSURER(S) AFFORDING COVERAGE | |
| INSURED Dartmouth Hitchcock Medical Center 1 Medical Center Dr., #4b Lebanon, NH 03756 | INSURER A : Safety National Casualty Corp | |
| | INSURER B : | |
| | INSURER C : | |
| | INSURER D : | |
| | INSURER E : | |
| | INSURER F : | |

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

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

| INSR LTR | TYPE OF INSURANCE | ADDL INSR | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|-----------|----------|---------------|-------------------------|-------------------------|--|
| | GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | | | | | | EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ |
| | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | | | | | | COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ |
| | UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$ | | | | | | EACH OCCURRENCE \$ AGGREGATE \$ |
| A | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | | N/A | AGC4053417 | 07/01/2015 | 07/01/2016 | WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$1000000 E.L. DISEASE - EA EMPLOYEE \$1000000 E.L. DISEASE - POLICY LIMIT \$1000000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Evidence of Workers Compensation coverage.

| | |
|---|--|
| CERTIFICATE HOLDER State of New Hampshire Attn: Denise Shelburne Contracts & Procurement Unit 129 Pleasant Street - Brown Bldg. 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  |
|---|--|



Mission, Vision, & Values

Our Mission

We advance health through research, education, clinical practice, and community partnerships, providing each person the best care, in the right place, at the right time, every time.

Our Vision

Achieve the healthiest population possible, leading the transformation of health care in our region and setting the standard for our nation.

Values

- Respect
- Integrity
- Commitment
- Transparency
- Trust
- Teamwork
- Stewardship
- Community

Dartmouth-Hitchcock Health and Subsidiaries

**Consolidated Financial Statements
June 30, 2015 and 2014**

Dartmouth-Hitchcock Health and Subsidiaries
Index
June 30, 2015 and 2014

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| Statements of Operations and Changes in Net Assets | 4-5 |
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| Notes to Financial Statements | 7-43 |
| Consolidating Supplemental Information | |
| Balance Sheets | 45-48 |
| Statements of Operations and Changes in Unrestricted Net Assets | 49-52 |



Independent Auditor's Report

To the Board of Trustees of Dartmouth-Hitchcock Health and Subsidiaries

We have audited the accompanying consolidated financial statements of Dartmouth-Hitchcock Health and Subsidiaries (the "Health System"), which comprise the consolidated balance sheets as of June 30, 2015 and 2014, and the related consolidated statements of operations and changes in net assets and of cash flows for the years ended June 30, 2015 and 2014.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We did not audit the consolidated financial statements of The Cheshire Medical Center, a subsidiary whose sole member is Dartmouth-Hitchcock Health, which statements reflect total assets constituting 9.7% of consolidated total assets at June 30, 2015 and total revenues of 3.5% of consolidated total revenues for the year then ended. Those statements as of June 30, 2015 and for the four months then ended were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for The Cheshire Medical Center, is based solely on the report of the other auditors. We did not audit the consolidated financial statements of New London Hospital Association, Inc. and Subsidiaries, a subsidiary whose sole member is Dartmouth-Hitchcock Health, which statements reflect total assets constituting 3.8% of consolidated total assets at June 30, 2014 and total revenues of 3.0% of consolidated total revenues for the year then ended. Those statements as of June 30, 2014 and for the nine months then ended were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for New London Hospital Association, Inc. and Subsidiaries, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 our 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, we consider internal control relevant to the Health System'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 Health System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Health System at June 30, 2015 and 2014, and the results of its operations and changes in net assets and its cash flows for the years ended June 30, 2015 and 2014 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Health System changed the manner in which it accounts for investment gains and losses recognized within periodic pension cost in 2015. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating 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 consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations and changes in unrestricted net assets of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position and results of operations and changes in unrestricted net assets of the individual companies.

PricewaterhouseCoopers LLP

November 27, 2015

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Balance Sheets
June 30, 2015 and 2014

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|---|---------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 38,909 | \$ 50,927 |
| Patient accounts receivable, net of estimated uncollectibles of \$92,532 and \$124,404 at June 30, 2015 and 2014 (Note 4) | 204,272 | 184,606 |
| Prepaid expenses and other current assets (Note 13) | 100,586 | 91,302 |
| Total current assets | 343,767 | 326,835 |
| Assets limited as to use (Notes 5, 7, and 10) | 620,425 | 629,185 |
| Other investments for restricted activities (Notes 5 and 7) | 132,016 | 101,675 |
| Property, plant, and equipment, net (Note 6) | 601,355 | 484,753 |
| Other assets | 88,450 | 72,508 |
| Total assets | <u>\$ 1,786,013</u> | <u>\$ 1,614,956</u> |
| Liabilities and Net Assets | | |
| Current liabilities | | |
| Current portion of long-term debt (Note 10) | \$ 17,179 | \$ 13,281 |
| Line of credit (Note 13) | 1,200 | - |
| Current portion of liability for pension and other postretirement plan benefits (Note 11) | 5,961 | 5,142 |
| Accounts payable and accrued expenses (Note 13) | 120,221 | 93,023 |
| Accrued compensation and related benefits | 94,864 | 78,575 |
| Estimated third-party settlements (Note 4) | 36,599 | 30,677 |
| Total current liabilities | 276,024 | 220,698 |
| Long-term debt, excluding current portion (Note 10) | 575,484 | 550,703 |
| Insurance deposits and related liabilities (Note 12) | 62,356 | 68,498 |
| Interest rate swaps (Notes 7 and 10) | 24,740 | 24,413 |
| Liability for pension and other postretirement plan benefits, excluding current portion (Note 11) | 187,568 | 139,056 |
| Other liabilities | 56,109 | 47,980 |
| Total liabilities | <u>1,182,281</u> | <u>1,051,348</u> |
| Net assets | | |
| Unrestricted (Note 9) | 474,194 | 462,675 |
| Temporarily restricted (Notes 8 and 9) | 76,457 | 64,664 |
| Permanently restricted (Notes 8 and 9) | 53,081 | 36,269 |
| Total net assets | 603,732 | 563,608 |
| Commitments and contingencies (Notes 4, 6, 7, 10, and 13) | - | - |
| Total liabilities and net assets | <u>\$ 1,786,013</u> | <u>\$ 1,614,956</u> |

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

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2015 and 2014

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|---|--------------|--------------|
| Unrestricted revenue and other support | | |
| Net patient service revenue, net of provision for bad debt (\$17,562 and \$47,606 in 2015 and 2014), (Notes 1 and 4) | \$ 1,380,559 | \$ 1,229,848 |
| Contracted revenue (Note 2) | 80,835 | 92,390 |
| Other operating revenue (Note 2 and 5) | 82,993 | 64,804 |
| Net assets released from restrictions | 15,637 | 11,670 |
| Total unrestricted revenue and other support | 1,560,024 | 1,398,712 |
| Operating expenses | | |
| Salaries | 776,402 | 675,716 |
| Employee benefits | 213,975 | 209,052 |
| Medical supplies and medications | 219,967 | 196,397 |
| Purchased services and other | 205,704 | 169,956 |
| Medicaid enhancement tax (Note 4) | 51,996 | 34,488 |
| Depreciation and amortization | 67,213 | 57,729 |
| Interest (Note 10) | 18,442 | 18,436 |
| Expenditures relating to net assets released from restrictions | 15,637 | 11,670 |
| Total operating expenses | 1,569,336 | 1,373,444 |
| Operating (loss) gain | (9,312) | 25,268 |
| Nonoperating gains (losses) | | |
| Investment (losses) gains (Notes 5 and 10) | (11,015) | 56,804 |
| Other losses | (1,241) | (4,473) |
| Contribution revenue from acquisition (Note 3) | 92,499 | 33,692 |
| Total nonoperating gains (losses), net | 80,243 | 86,023 |
| Excess of revenue over expenses | \$ 70,931 | \$ 111,291 |

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

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets, Continued
Years Ended June 30, 2015 and 2014

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|--|-------------------|-------------------|
| Unrestricted net assets | | |
| Excess of revenue over expenses | \$ 70,931 | \$ 111,291 |
| Net assets released from restrictions | 2,411 | 763 |
| Change in funded status of pension and other postretirement benefits (Note 11) | (60,892) | 19,669 |
| Change in fair value of interest rate swaps (Note 10) | (931) | 1,538 |
| Increase in unrestricted net assets | <u>11,519</u> | <u>133,261</u> |
| Temporarily restricted net assets | | |
| Gifts, bequests, sponsored activities | 10,625 | 18,295 |
| Investment gains | 1,797 | 1,171 |
| Change in net unrealized (losses) gains on investments | (1,619) | 2,998 |
| Net assets released from restrictions | (18,048) | (12,433) |
| Contribution of temporarily restricted net assets from acquisition | 19,038 | 386 |
| Increase in temporarily restricted net assets | <u>11,793</u> | <u>10,417</u> |
| Permanently restricted net assets | | |
| Gifts and bequests | 202 | 2,961 |
| Contribution of permanently restricted net assets from acquisition | 16,610 | 2,053 |
| Increase in permanently restricted net assets | <u>16,812</u> | <u>5,014</u> |
| Change in net assets | <u>40,124</u> | <u>148,692</u> |
| Net assets | | |
| Beginning of year | <u>563,608</u> | <u>414,916</u> |
| End of year | <u>\$ 603,732</u> | <u>\$ 563,608</u> |

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

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended June 30, 2015 and 2014

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|---|------------------|------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ 40,124 | \$ 148,882 |
| Adjustments to reconcile change in net assets to net cash provided by operating and nonoperating activities | | |
| Change in fair value of interest rate swaps | (104) | (58) |
| Provision for bad debt | 17,562 | 47,886 |
| Depreciation and amortization | 67,414 | 58,286 |
| Contribution revenue from acquisition | (128,147) | (36,831) |
| Change in funded status of pension and other postretirement benefits | 60,892 | (19,889) |
| Loss on disposal of fixed assets | 670 | 383 |
| Net realized (loses) gains and change in net unrealized (losses) gains on investments | 15,795 | (58,824) |
| Restricted contributions | (11,040) | (10,637) |
| Proceeds from sale of securities | 723 | 483 |
| Changes in assets and liabilities | | |
| Patient accounts receivable, net | (17,151) | (54,587) |
| Prepaid expenses and other current assets | 9,165 | (7,889) |
| Other assets, net | (4,388) | (10,633) |
| Accounts payable and accrued expenses | (5,169) | 10,668 |
| Accrued compensation and related benefits | 8,684 | 757 |
| Estimated third-party settlements | 2,637 | 2,389 |
| Insurance deposits and related liabilities | (17,177) | (23,454) |
| Liability for pension and other postretirement benefits | (25,471) | (14,980) |
| Other liabilities | (669) | 9,889 |
| Net cash provided by operating and nonoperating activities | <u>14,350</u> | <u>41,251</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant, and equipment | (87,196) | (50,883) |
| Proceeds from sale of property, plant, and equipment | 1,533 | 3,165 |
| Purchases of investments | (166,589) | (107,286) |
| Proceeds from maturities and sales of investments | 195,950 | 111,881 |
| Cash received through acquisition | 29,914 | 3,431 |
| Net cash used by investing activities | <u>(26,388)</u> | <u>(39,752)</u> |
| Cash flows from financing activities | | |
| Proceeds from line of credit | 60,904 | 100,000 |
| Payments on line of credit | (60,700) | (100,000) |
| Repayment of long-term debt | (54,682) | (27,354) |
| Proceeds from issuance of debt | 43,452 | 17,886 |
| Payment of debt issuance costs | 6 | (483) |
| Restricted contributions | 11,040 | 8,583 |
| Net cash provided (used) by financing activities | <u>20</u> | <u>(2,364)</u> |
| (Decrease) increase in cash and cash equivalents | (12,018) | 45 |
| Cash and cash equivalents | | |
| Beginning of year | <u>50,927</u> | <u>50,882</u> |
| End of year | <u>\$ 38,909</u> | <u>\$ 50,927</u> |
| Supplemental cash flow information | | |
| Interest paid | \$ 21,659 | \$ 22,283 |
| Asset appreciation due to affiliations | 15,596 | 6,887 |
| Construction in progress included in accounts payable and accrued expenses | 1,955 | 10,583 |
| Equipment acquired through issuance of capital lease obligations | 1,741 | 784 |
| Donated securities | 685 | 483 |

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

Dartmouth-Hitchcock Health and Subsidiaries

Consolidated Notes to Financial Statements

Years Ended June 30, 2015 and 2014

1. Organization and Community Benefit Commitments

Dartmouth-Hitchcock Health (D-HH) serves as the sole corporate member of Mary Hitchcock Memorial Hospital (MHMH) and Dartmouth-Hitchcock Clinic (DHC) (collectively referred to as "Dartmouth-Hitchcock" (D-H)), New London Hospital Association (NLH), Mt. Ascutney Hospital and Health Center (MAHHC) and The Cheshire Medical Center (Cheshire).

The "Health System" consists of D-HH, its affiliates and their subsidiaries.

D-HH currently operates one tertiary and three community acute care hospitals in NH and VT, one facility providing inpatient and outpatient mental health services, and one facility providing inpatient and outpatient rehabilitation medicine and long-term care. D-HH also operates two physician practices and a nursing home. D-HH operates a graduate level program for health professions and is the principal teaching affiliate of the Geisel School of Medicine (Geisel), a component of Dartmouth College.

D-HH, MHMH, DHC, NLH and Cheshire are New Hampshire (NH) not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). MAHHC is a Vermont (VT) not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the IRC.

Fiscal year 2015 includes a full year of operations of D-HH, D-H, NLH, MAHHC and four months of operations of Cheshire. Fiscal year 2014 includes a full year of operations of D-HH, D-H and nine months of operations of NLH (Note 3).

Community Benefits

The mission of the Health System is to advance health through research, education, clinical practice and community partnerships, providing each person the best care, in the right place, at the right time, every time.

Consistent with this mission, the Health System provides high quality, cost effective, comprehensive, and integrated healthcare to individuals, families, and the communities it serves regardless of a patient's ability to pay. The Health System actively supports community-based healthcare and promotes the coordination of services among healthcare providers and social services organizations. In addition, the Health System also seeks to work collaboratively with other area healthcare providers to improve the health status of the region. As a component of an integrated academic medical center, the Health System provides significant support for academic and research programs.

The Health System files annual Community Benefits Reports with the States of NH and VT which outline the community and charitable benefits it provides. The broad categories used in the Community Benefit Reports to summarize these benefits are as follows:

- *Community health services* include activities carried out to improve community health and could include community health education (such as lectures, programs, support groups, and materials that promote wellness and prevent illness), community-based clinical services (such as free clinics and health screenings), and healthcare support services (enrollment assistance in public programs, assistance in obtaining free or reduced costs medications, telephone information services, or transportation programs to enhance access to care, etc.).

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

- *Subsidized health services* are services provided even though there is a financial loss because they meet the needs of the community and would not otherwise be available unless the responsibility was assumed by the government.
- *Research support and other grants* representing costs in excess of awards for numerous health research and service initiatives awarded to the organizations.
- *Community health-related initiatives* outside of the organization(s) through various financial contributions of cash, in-kind, and grants to local organizations.
- *Community-building activities* include cash, in-kind donations, and budgeted expenditures for the development of programs and partnerships intended to address social and economic determinants of health. Examples include physical improvements and housing, economic development, support system enhancements, environmental improvements, leadership development and training for community members, community health improvement advocacy, and workforce enhancement. Community benefit operations includes costs associated with staff dedicated to administering benefit programs, community health needs assessment costs, and other costs associated with community benefit planning and operations.
- *Charity care (financial assistance)* represents services provided to patients who cannot afford healthcare services due to inadequate financial resources which result from being uninsured or underinsured. For the years ended June 30, 2015 and 2014, the Health System provided financial assistance to patients in the amount of approximately \$50,076,000 and \$56,372,000, respectively, as measured by gross charges. The estimated cost of providing this care for the years ended June 30, 2015 and 2014 was approximately \$20,781,000 and \$20,454,000, respectively. The estimated costs of providing charity care services are determined applying a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of costs to charges is calculated using total expenses, less bad debt, divided by gross revenue.
- *Government-sponsored healthcare services*, provided to Medicaid and Medicare patients at reimbursement levels that are significantly below the cost of the care provided.
- The *uncompensated cost of care for Medicaid* patients reported in the unaudited Community Benefits Reports for 2014 was approximately \$109,696,000. The 2015 Community Benefits Reports are expected to be filed in February 2016.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

The following table summarizes the value of the community benefit initiatives outlined in the Health System's most recently filed Community Benefit Reports for the year ended June 30, 2014:

(Unaudited, in thousands of dollars)

| | |
|--|------------|
| Community health services | \$ 3,267 |
| Health professional education | 28,551 |
| Subsidized health services | 7,407 |
| Research | 5,421 |
| Financial contributions | 7,142 |
| Community building activities | 797 |
| Community benefit operations | 29 |
| Charity care | 20,454 |
| Government-sponsored healthcare services | 159,446 |
| Total community benefit value | \$ 232,514 |

The Health System also provides a significant amount of uncompensated care to its patients that are reported as provision for bad debts, which is not included in the amounts reported above. During the years ended June 30, 2015 and 2014, the Health System reported a provision for bad debt expense of approximately \$17,562,000 and \$47,606,000, respectively. The Health System also routinely provides services to Medicare patients at reimbursement levels that are below the costs of the care provided.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and have been prepared consistent with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 954 *Healthcare Entities* (ASC 954), which addresses the accounting for healthcare entities. In accordance with the provisions of ASC 954, net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, unrestricted net assets are amounts not subject to donor-imposed stipulations and are available for operations. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. All significant intercompany transactions have been eliminated upon consolidation.

Use of Estimates

The preparation of the consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant areas that are affected by the use of estimates include the allowance for estimated uncollectible accounts and contractual allowances, valuation of certain investments, estimated third-party settlements, insurance reserves, and pension obligations. Actual results could differ from those estimates.

Dartmouth-Hitchcock Health and Subsidiaries

Consolidated Notes to Financial Statements

Years Ended June 30, 2015 and 2014

Excess of Revenue Over Expenses

The consolidated statements of operations and changes in net assets include excess of revenue over expenses. Operating revenues consist of those items attributable to the care of patients, including contributions and investment income on unrestricted investments, which are utilized to provide charity and other operational support. Peripheral activities, including unrestricted contribution income from acquisitions, realized gains/losses on sales of investment securities and changes in unrealized gains/losses in investments are reported as nonoperating gains (losses).

Changes in unrestricted net assets which are excluded from excess of revenue over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets), change in funded status of pension and other postretirement benefit plans, and the effective portion of the change in fair value of interest rate swaps.

Charity Care and Provision for Bad Debts

The Health System provides care to patients who meet certain criteria under their financial assistance policies without charge or at amounts less than their established rates. Because the Health System does not anticipate collection of amounts determined to qualify as charity care, they are not reported as revenue.

The Health System grants credit without collateral to patients. Most are local residents and are insured under third-party arrangements. Additions to the allowance for uncollectible accounts are made by means of the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance and subsequent recoveries are added. The amount of the provision for bad debts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental healthcare coverage, and other collection indicators (Notes 1 and 4).

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors and bad debt expense. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as estimates change or final settlements are determined (Note 4).

Contract Revenue

The Health System has various Professional Service Agreements (PSAs), pursuant to which certain facilities purchase services of personnel employed by the Health System and also lease space and equipment. Revenue pursuant to these PSAs and certain facility and equipment leases and other professional service contracts have been classified as contracted revenue in the accompanying consolidated statements of operations and changes in net assets.

Other Revenue

The Health System recognizes other revenue which is not related to patient medical care but is central to the day-to-day operations of the Health System. This revenue includes retail pharmacy, joint operating agreements, grant revenue, cafeteria sales, meaningful use incentive payments and other support service revenue.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

Cash Equivalents

Cash equivalents include investments in highly liquid investments with maturities of three months or less when purchased, excluding amounts where use is limited by internal designation or other arrangements under trust agreements or by donors.

Investments and Investment Income

Investments in equity securities with readily determinable fair values, mutual funds and pooled/comingled funds, and all investments in debt securities are considered to be trading securities reported at fair value with changes in fair value included in the excess of revenues over expenses. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (Note 7).

Investments in pooled/commingled investment funds, private equity funds and hedge funds that represent investments where the Health System owns shares or units of funds rather than the underlying securities in that fund are valued using the equity method of accounting with changes in value recorded in excess of revenues over expenses. All investments, whether held at fair value or under the equity method of accounting, are reported at what the Health System believes to be the amount they would expect to receive if it liquidated its investments at the balance sheets date on a non-distressed basis.

Certain affiliates of the Health System are partners in a NH general partnership established for the purpose of operating a master investment program of pooled investment accounts. Substantially all of the Health System's board-designated and restricted assets were invested in these pooled funds by purchasing units based on the market value of the pooled funds at the end of the month prior to receipt of any new additions to the funds. Interest, dividends, and realized and unrealized gains and losses earned on pooled funds are allocated monthly based on the weighted average units outstanding at the prior month-end.

Investment income or losses (including change in unrealized and realized gains and losses on unrestricted investments, change in value of equity method investments, interest, and dividends) are included in excess of revenue over expenses classified as nonoperating gains and losses, unless the income or loss is restricted by donor or law (Note 9).

Fair Value Measurement of Financial Instruments

The Health System estimates fair value based on a valuation framework that uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy, as defined by ASC 820, *Fair Value Measurements and Disclosures*, are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for assets or liabilities.
- Level 2 Prices other than quoted prices in active markets that are either directly or indirectly observable as of the date of measurement.
- Level 3 Prices or valuation techniques that are both significant to the fair value measurement and unobservable.

Dartmouth-Hitchcock Health and Subsidiaries

Consolidated Notes to Financial Statements

Years Ended June 30, 2015 and 2014

The Health System applies the accounting provisions of Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)* (ASU 2009-12). ASU 2009-12 allows for the estimation of fair value of investments for which the investment does not have a readily determinable fair value, to use net asset value (NAV) per share or its equivalent as a practical expedient, subject to the Health System's ability to redeem its investment.

The carrying amount of patient accounts receivable, prepaid and other current assets, accounts payable, and accrued expenses approximates fair value due to the short maturity of these instruments.

Property, Plant, and Equipment

Property, plant, and equipment, and other real estate are stated at cost at the time of purchase or fair market value at the time of donation, less accumulated depreciation. The Health System's policy is to capitalize expenditures for major improvements and to charge expense for maintenance and repair expenditures which do not extend the lives of the related assets. The provision for depreciation has been determined using the straight-line method at rates which are intended to amortize the cost of assets over their estimated useful lives which range from 10 to 40 years for buildings and improvements, 2 to 20 years for equipment, and the shorter of the lease term, or 5 to 12 years, for leasehold improvements. Certain software development costs are amortized using the straight-line method over a period of up to ten years. Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

The fair value of a liability for legal obligations associated with asset retirements is recognized in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made. When a liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost associated with the retirement is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the actual cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations and changes in net assets.

Gifts of capital assets such as land, buildings, or equipment are reported as unrestricted support, and excluded from excess of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of capital assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire capital assets are reported as restricted support. Absent explicit donor stipulations about how long those capital assets must be maintained, expirations of donor restrictions are reported when the donated or acquired capital assets are placed in service.

Bond Issuance Costs

Bond issuance costs, classified on the consolidated balance sheets as other assets, are amortized over the term of the related bonds. Amortization is recorded within depreciation and amortization in the consolidated statements of operations and changes in net assets using the straight-line method which approximates the effective interest method.

Trade Names

The Health System records trade names as intangible assets within other assets on the consolidated statements of financial position. The Health System considers trade names to be indefinite-lived assets, assesses them at least annually for impairment or more frequently if certain events or circumstances warrant and recognizes impairment charges for amounts by which the carrying values

Dartmouth-Hitchcock Health and Subsidiaries

Consolidated Notes to Financial Statements

Years Ended June 30, 2015 and 2014

exceed their fair values. The Health System has recorded \$2,700,000 as intangible assets associated with its affiliations. There were no impairment charges recorded for the years ended June 30, 2015 and 2014.

Derivative Instruments and Hedging Activities

The Health System applies the provisions of ASC 815, *Derivatives and Hedging*, to its derivative instruments, which requires that all derivative instruments be recorded at their respective fair value in the consolidated balance sheets.

On the date a derivative contract is entered into, the Health System designates the derivative as a cash-flow hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability. For all hedge relationships, the Health System formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed, and a description of the method of measuring ineffectiveness. This process includes linking cash-flow hedges to specific assets and liabilities on the consolidated balance sheets or to specific firm commitments or forecasted transactions. The Health System also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in variability of cash flows of hedged items. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in unrestricted net assets until earnings are affected by the variability in cash flows of the designated hedged item. The ineffective portion of the change in fair value of a cash-flow hedge is reported in excess of revenue over expenses in the consolidated statements of operation and changes in net assets.

The Health System discontinues hedge accounting prospectively when it is determined: (a) the derivative is no longer effective in offsetting changes in the cash flows of the hedged item; (b) the derivative expires or is sold, terminated, or exercised; (c) the derivative is undesignated as a hedging instrument because it is unlikely that a forecasted transaction will occur; (d) a hedged firm commitment no longer meets the definition of a firm commitment; and (e) management determines that designation of the derivative as a hedging instrument is no longer appropriate.

In all situations in which hedge accounting is discontinued, the Health System continues to carry the derivative at its fair value on the consolidated balance sheets and recognizes any subsequent changes in its fair value in excess of revenue over expenses.

Gifts and Bequests

Unrestricted gifts and bequests are recorded net of related expenses as nonoperating gains. Conditional promises to give and indications of intentions to give to the Health System are reported at fair market value at the date the gift is received. Gifts are reported as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, 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 operations and changes in net assets as net assets released from restrictions.

Change in Accounting

During 2015, the Health System elected to change its method of accounting for pension and postretirement benefits. For purposes of calculating the expected return on plan assets, the Health System will no longer use an averaging technique permitted under Generally Accepted Accounting

Dartmouth-Hitchcock Health and Subsidiaries

Consolidated Notes to Financial Statements

Years Ended June 30, 2015 and 2014

Principles (GAAP) for the market-related value of plan assets, but instead will use the actual fair value of plan assets. These changes are intended to improve the transparency of the Health System's operating results by more quickly recognizing the effects of current economic and interest rate trends on plan investments and assumptions. These changes have been reported through retrospective application to all periods presented. The impact of the change in accounting for the years ended June 30, 2015 and 2014 was an approximate (reduction) increase in pension expense of (\$4,800,000) and \$4,900,000, respectively.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued a standard on Revenue from Contracts with Customers. This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard is effective for fiscal years beginning after December 15, 2017. The Health System is evaluating the impact this will have on the combined financial statements beginning in Fiscal Year 2018.

3. Acquisitions

Effective July 1, 2014 D-HH became the sole corporate member of Windsor Hospital Corporation (dba Mt. Ascutney Hospital and Health Center "MAHHC") through an affiliation agreement. MAHHC is a not-for-profit corporation providing inpatient and outpatient care services to residents of Windsor County, Vermont. MAHHC is the sole corporate member of Historic Homes of Runnemedede, Inc. a not-for-profit Vermont corporation providing recreational, educational and residential care services for the aging. In addition, MAHHC is the sole corporate member of Mt. Ascutney Hospital Community Health Foundation, Inc. which is a not-for-profit Vermont corporation providing health education and promotion programs aimed at improving the health status of the Windsor community. MAHHC and its subsidiaries have a fiscal year end of September 30th.

Effective March 2, 2015 D-HH became the sole corporate member of The Cheshire Medical Center (Cheshire) through an affiliation agreement. Cheshire is a not-for-profit acute care hospital providing inpatient and outpatient services to the residents of Merrimack and Sullivan counties. Cheshire is the sole corporate member of The Cheshire Health Foundation (Cheshire Foundation), a not-for-profit corporation that carries on fundraising activities and manages related investments. Cheshire and Cheshire Foundation have a fiscal year end of June 30th. The D-HH's 2015 consolidated financial statements reflect four months of activity for Cheshire and Cheshire Foundation beginning March 2, 2015.

In accordance with applicable accounting guidance on not-for-profit mergers and acquisitions, The Health System recorded contribution income of approximately \$128,147,000 reflecting the fair value of the contributed net assets of MAHHC and Cheshire and their subsidiaries on the transaction dates. Of this amount, \$92,499,000 represents unrestricted net assets and is included as a nonoperating gain in the accompanying consolidated statements of operations. Restricted contribution income of \$19,038,000 and \$16,610,000 was recorded within temporarily and permanently restricted net assets, respectively, in the accompanying consolidated statements of changes in net assets. No consideration was exchanged for the net assets contributed and acquisition costs are expensed as incurred.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

The fair value of assets, liabilities, and net assets contributed by MAHHC and Cheshire and their subsidiaries at July 1, 2014 and March 2, 2015 were as follows:

(in thousands)

| | MAHHC | Cheshire | Total |
|---|------------------|-------------------|----------------|
| Assets | | | |
| Cash and cash equivalents | \$ 4,159 | \$ 25,755 | 29,914 |
| Patient accounts receivable, net | 7,063 | 13,014 | 20,077 |
| Prepaid expenses and other current assets | 1,368 | 3,345 | 4,713 |
| Assets limited as to use | 15,168 | 46,440 | 61,608 |
| Property, plant, and equipment, net | 17,644 | 81,275 | 98,919 |
| Other assets | 2,398 | 5,698 | 8,096 |
| Total assets acquired | <u>\$ 47,800</u> | <u>\$ 175,527</u> | <u>223,327</u> |
| Liabilities | | | |
| Accounts payable and accrued expenses | \$ 2,174 | \$ 19,709 | 21,883 |
| Accrued compensation and related benefits | 2,590 | 5,016 | 7,606 |
| Estimated third-party settlements | 3,285 | - | 3,285 |
| Long-term debt | 10,213 | 29,052 | 39,265 |
| Interest rate swaps | 431 | - | 431 |
| Other liabilities | 6,693 | 16,017 | 22,710 |
| Total liabilities assumed | <u>25,386</u> | <u>69,794</u> | <u>95,180</u> |
| Net Assets | | | |
| Unrestricted | 15,672 | 76,827 | 92,499 |
| Temporarily restricted | 752 | 18,286 | 19,038 |
| Permanently restricted | 5,990 | 10,620 | 16,610 |
| Total net assets | <u>22,414</u> | <u>105,733</u> | <u>128,147</u> |
| Total liabilities and net assets | <u>\$ 47,800</u> | <u>\$ 175,527</u> | <u>223,327</u> |

A summary of the financial results of MAHHC and Cheshire and their subsidiaries included in the consolidated statements of operations and changes in net assets for the period from the dates of acquisition, July 1, 2014 and March 2, 2015 through June 30, 2015 is as follows:

(in thousands)

| | MAHHC | Cheshire | Total |
|--|------------------|------------------|------------------|
| Total operating revenues | \$ 49,628 | \$ 53,824 | \$ 103,452 |
| Total operating expenses | <u>51,098</u> | <u>55,288</u> | <u>106,386</u> |
| Operating loss | (1,470) | (1,464) | (2,934) |
| Nonoperating gains | <u>117</u> | <u>452</u> | <u>569</u> |
| Deficit of revenues over expenses | (1,353) | (1,012) | (2,365) |
| Net assets released from restriction used for capital purchases | 679 | 1,010 | 1,689 |
| Change in funded status of pension and other postretirement benefits | (790) | 2,875 | 2,085 |
| Change in fair value on interest rate swaps | 159 | - | 159 |
| Net assets transferred from affiliate | 15,672 | 76,827 | 92,499 |
| Increase in unrestricted net assets | <u>\$ 14,367</u> | <u>\$ 79,700</u> | <u>\$ 94,067</u> |

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A summary of the consolidated financial results of the Health System for the years ended June 30, 2015 and 2014 as if the transactions had occurred on July 1, 2013 is as follows (unaudited):

(in thousands)

| | 2015 | 2014 |
|---|------------------|-------------------|
| Total operating revenues | \$ 1,658,250 | \$ 1,595,128 |
| Total operating expenses | <u>1,671,124</u> | <u>1,572,044</u> |
| Operating (loss) gain | (12,874) | 23,084 |
| Nonoperating gains | <u>81,277</u> | <u>90,522</u> |
| Excess of revenues over expenses | 68,403 | 113,606 |
| Net assets released from restriction used for capital purchases | 2,411 | 790 |
| Change in funded status of pension and other post retirement benefits | (65,128) | 20,017 |
| Change in fair value on interest rate swaps | <u>(931)</u> | <u>1,538</u> |
| Increase in unrestricted net assets | <u>\$ 4,755</u> | <u>\$ 135,951</u> |

4. Patient Service Revenue and Accounts Receivable

Patient service revenue is reported net of contractual allowances and the provision for bad debts as follows for the years ended June 30, 2015 and 2014:

(in thousands of dollars)

| | 2015 | 2014 |
|-------------------------------|---------------------|---------------------|
| Gross patient service revenue | \$ 3,656,514 | \$ 3,235,142 |
| Less: Contractual allowances | 2,258,393 | 1,957,688 |
| Less: Provision for bad debt | <u>17,562</u> | <u>47,606</u> |
| Net patient service revenue | <u>\$ 1,380,559</u> | <u>\$ 1,229,848</u> |

Accounts receivable are reduced by an allowance for estimated uncollectibles. In evaluating the collectability of accounts receivable, the Health System analyzes past collection history and identifies trends for several categories of self-pay accounts (uninsured, residual balances, pre-collection accounts and charity) to estimate the appropriate allowance percentages in establishing the allowance for bad debt expense. Management performs collection rate look-back analyses on a quarterly basis to evaluate the sufficiency of the allowance for estimated uncollectibles. Throughout the year, after all reasonable collection efforts have been exhausted, the difference between the standard rates and the amounts actually collected, including contractual adjustments and uninsured discounts, will be written off against the allowance for estimated uncollectibles. In addition to the review of the categories of revenue, management monitors the write offs against established allowances as of a point in time to determine the appropriateness of the underlying assumptions used in estimating the allowance for estimated uncollectibles.

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Accounts receivable, prior to adjustment for estimated uncollectibles, are summarized as follows at June 30, 2015 and 2014:

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|----------------------------------|-------------------|-------------------|
| Receivables | | |
| Patients | \$ 123,881 | \$ 156,967 |
| Third-party payors | 171,141 | 150,258 |
| Nonpatient | 1,782 | 1,785 |
| | <u>\$ 296,804</u> | <u>\$ 309,010</u> |

The allowance for estimated uncollectibles is \$92,532,000 and \$124,404,000 as of June 30, 2015 and 2014.

The following table categorizes payors into five groups and their respective percentages of gross patient service revenue for the years ended June 30, 2015 and 2014:

| | 2015 | 2014 |
|----------------------|--------------|--------------|
| Medicare | 40 % | 39 % |
| Anthem/Blue Cross | 21 | 20 |
| Commercial insurance | 20 | 21 |
| Medicaid | 15 | 13 |
| Self-pay/Other | 4 | 7 |
| | <u>100 %</u> | <u>100 %</u> |

The Health System has agreements with third-party payors that provide for payments at amounts different from their established rates. A summary of the acute care payment arrangements in effect during the years ended June 30, 2015 and 2014 with major third-party payors follows:

Medicare:

The Health System's inpatient acute care services provided to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on diagnostic, clinical and other factors. In addition, inpatient capital costs (depreciation and interest) are reimbursed by Medicare on the basis of a prospectively determined rate per discharge. Medicare outpatient services are paid on a prospective payment system. Under the system, outpatient services are reimbursed based on a pre-determined amount for each outpatient procedure, subject to various mandatory modifications. The Health System is reimbursed during the year for services to Medicare beneficiaries based on varying interim payment methodologies. Final settlement is determined after the submission of an annual cost report and subsequent audit of this report by the Medicare fiscal intermediary.

Certain of the Health System's affiliates qualify as Critical Access Hospitals (CAH), which are reimbursed by Medicare at 101% of reasonable costs for inpatient acute, swing bed, and outpatient services, excluding ambulance services and inpatient hospice care. They are reimbursed at an interim rate for cost based services with a final settlement determined by the Medicare Cost Report filing. The nursing home is not impacted by CAH designation. Medicare reimburses nursing home care based on an acuity driven prospective payment system with no retrospective settlement.

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Medicaid:

The Health System's payments for inpatient services rendered to NH Medicaid beneficiaries are based on a prospective payment system, while outpatient services are reimbursed on a retrospective cost basis or fee schedules. NH Medicaid Outpatient Direct Medical Education costs are reimbursed, as a pass-through, based on the filing of the Medicare cost report. Payment for inpatient and outpatient services rendered to VT Medicaid beneficiaries are based on prospective payment systems and the skilled nursing facility is reimbursed on a prospectively determined per diem rate.

During the years ended June 30, 2015 and 2014, the Health System recorded State of NH Medicaid Enhancement Tax (MET) expense of \$51,996,000 and \$34,488,000, respectively. The tax is calculated at 5.5% of certain gross patient revenues in accordance with instructions received from the State of NH. The MET expense is included in operating expenses in the consolidated statements of operations and changes in net assets.

On June 30, 2014, the NH Governor signed into law a bi-partisan legislation reflecting an agreement between the State of NH and 25 NH hospitals on the Medicaid Enhancement Tax "SB 369". As part of the agreement the parties have agreed to resolve all pending litigation related to MET and Medicaid Rates, including the Catholic Medical Center Litigation, the Northeast Rehabilitation Litigation, 2014 DRA Refund Requests, and the State Rate Litigation. As part of the Medicaid Enhancement Tax Agreement Effective July 1, 2014, a "Trust / Lock Box" dedicated fund mechanism will be established for receipt and distribution of all MET proceeds with all monies used exclusively to support Medicaid services. During the years ended June 30, 2015 and 2014, the Health System received disproportionate share hospital (DSH) payments of \$10,152,016 and \$12,631,782, respectively.

The Health Information Technology for Economic and Clinical Health (HITECH) Act included in the American Recovery and Reinvestment Act (ARRA) provides incentives for the adoption and use of health information technology by Medicare and Medicaid providers and eligible professionals over the next several years with an anticipated end date of December 31, 2016, depending on the program. The Health System has recognized \$4,175,164 and \$6,833,075 in meaningful use incentives for both the Medicare and Vermont Medicaid programs during the years ended June 30, 2015 and 2014, respectively.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with laws and regulations can be subject to future government review and interpretation as well as significant regulatory action; failure to comply with such laws and regulations can result in fines, penalties and exclusion from the Medicare and Medicaid programs.

Other:

For services provided to patients with commercial insurance the Health System receives payment for inpatient services at prospectively determined rates-per-discharge, prospectively determined per diem rates or a percentage of established charges. Outpatient services are reimbursed on a fee schedule or at a discount from established charges.

Nonacute and physician services are paid at various rates under different arrangements with governmental payors, commercial insurance carriers and health maintenance organizations. The basis for payments under these arrangements includes prospectively determined per visit rates, discounts from established charges, fee schedules, and reasonable cost subject to limitations.

The Health System has provided for its estimated final settlements with all payors based upon applicable contracts and reimbursement legislation and timing in effect for all open years (2007 -

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2015). The differences between the amounts provided and the actual final settlement, if any, is recorded as an adjustment to net patient service revenue as amounts become known or as years are no longer subject to audits, reviews and investigations. During 2015 and 2014, changes in estimates related to the Health System's settlements with third-party payors resulted in increases in net patient service revenue of approximately \$5,550,206 and \$4,076,601, respectively, in the consolidated statements of operations and changes in net assets.

5. Investments

The composition of investments at June 30, 2015 and 2014 is set forth in the following table:

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|--|-------------------|-------------------|
| Assets limited as to use | | |
| Internally designated by board | | |
| Cash and short-term investments | \$ 8,475 | \$ 7,463 |
| U.S. government securities | 36,634 | 36,930 |
| Domestic corporate debt securities | 80,254 | 83,224 |
| Global debt securities | 111,156 | 126,451 |
| Domestic equities | 106,350 | 111,970 |
| International equities | 69,965 | 54,778 |
| Emerging markets equities | 36,591 | 40,344 |
| REIT | 621 | - |
| Private equity funds | 26,843 | 25,146 |
| Hedge funds | 56,590 | 50,370 |
| | <u>533,479</u> | <u>536,676</u> |
| Investments held by captive insurance companies (Note 12) | | |
| U.S. government securities | 27,730 | 45,897 |
| Domestic corporate debt securities | 32,017 | 22,005 |
| Global debt securities | 4,883 | 3,770 |
| Domestic equities | 7,669 | 7,286 |
| International equities | 12,869 | 13,058 |
| | <u>85,168</u> | <u>92,016</u> |
| Held by trustee under indenture agreement (Note 10) | | |
| Cash and short-term investments | 1,778 | 493 |
| | <u>1,778</u> | <u>493</u> |
| Total assets limited as to use | \$ 620,425 | \$ 629,185 |

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|--|-------------------|-------------------|
| Other investments for restricted activities | | |
| Cash and short-term investments | \$ 5,448 | \$ 4,215 |
| U.S. government securities | 19,730 | 13,872 |
| Domestic corporate debt securities | 34,548 | 26,689 |
| Global debt securities | 18,947 | 19,034 |
| Domestic equities | 18,354 | 15,901 |
| International equities | 14,777 | 7,461 |
| Emerging markets equities | 5,077 | 5,162 |
| REIT | 533 | - |
| Private equity funds | 3,653 | 3,101 |
| Hedge funds | 10,921 | 6,212 |
| Other | 28 | 28 |
| | <u>132,016</u> | <u>101,675</u> |
| Total other investments for restricted activities | \$ 132,016 | \$ 101,675 |

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Investments are accounted for using either the fair value method or equity method of accounting, as appropriate on a case by case basis. The fair value method is used when debt securities or equity securities that are traded on active markets and are valued at prices that are readily available in those markets. The equity method is used when investments are made in pooled/commingled investment funds that represent investments where shares or units are owned of pooled funds rather than the underlying securities in that fund. These pooled/commingled funds make underlying investments in securities from the asset classes listed above. All investments, whether the fair value or equity method of accounting is used, are reported at what the Health System believes to be the amount that the Health System would expect to receive if it liquidated its investments at the balance sheets date on a non-distressed basis.

The following tables summarize the investments by the accounting method utilized, as of June 30, 2015 and 2014. Accounting standards require disclosure of additional information for those securities accounted for using the fair value method, as shown in Note 7.

| <i>(in thousands of dollars)</i> | 2015 | | |
|------------------------------------|-------------------|-------------------|-------------------|
| | Fair Value | Equity | Total |
| Cash and short-term investments | \$ 15,700 | \$ - | \$ 15,700 |
| U.S. government securities | 84,095 | - | 84,095 |
| Domestic corporate debt securities | 115,698 | 31,121 | 146,819 |
| Global debt securities | 54,193 | 80,792 | 134,985 |
| Domestic equities | 119,883 | 12,491 | 132,374 |
| International equities | 25,790 | 71,822 | 97,612 |
| Emerging markets equities | 95 | 41,571 | 41,666 |
| REIT | - | 1,154 | 1,154 |
| Private equity funds | - | 30,496 | 30,496 |
| Hedge funds | - | 67,512 | 67,512 |
| Other | 28 | - | 28 |
| | <u>\$ 415,482</u> | <u>\$ 336,959</u> | <u>\$ 752,441</u> |

| <i>(in thousands of dollars)</i> | 2014 | | |
|------------------------------------|-------------------|-------------------|-------------------|
| | Fair Value | Equity | Total |
| Cash and short-term investments | \$ 12,171 | \$ - | \$ 12,171 |
| U.S. government securities | 96,699 | - | 96,699 |
| Domestic corporate debt securities | 101,467 | 30,451 | 131,918 |
| Global debt securities | 67,544 | 81,711 | 149,255 |
| Domestic equities | 123,620 | 11,537 | 135,157 |
| International equities | 13,763 | 61,534 | 75,297 |
| Emerging markets equities | 185 | 45,321 | 45,506 |
| Private equity funds | - | 28,247 | 28,247 |
| Hedge funds | - | 56,582 | 56,582 |
| Other | 28 | - | 28 |
| | <u>\$ 415,477</u> | <u>\$ 315,383</u> | <u>\$ 730,860</u> |

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Investment income (losses) is comprised of the following for the years ended June 30, 2015 and 2014:

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|---|-------------------|------------------|
| Unrestricted | | |
| Interest and dividend income, net | \$ 7,927 | \$ 5,241 |
| Net realized gains on sales of securities | 12,432 | 15,464 |
| Change in net unrealized gains on investments | <u>(28,824)</u> | <u>38,685</u> |
| | <u>(8,465)</u> | <u>59,390</u> |
| Temporarily restricted | | |
| Interest and dividend income, net | 1,151 | 294 |
| Net realized gains on sales of securities | 646 | 877 |
| Change in net unrealized gains on investments | <u>(1,619)</u> | <u>2,998</u> |
| | <u>178</u> | <u>4,169</u> |
| | <u>\$ (8,287)</u> | <u>\$ 63,559</u> |

For the years ended June 30, 2015 and 2014 unrestricted investment income (losses) is reflected in the accompanying consolidated statements of operations and changes in net assets as operating revenue of approximately \$2,550,000 and \$2,586,000 and as nonoperating (losses) gains of approximately (\$11,015,000) and \$56,804,000, respectively.

Private equity limited partnership shares are not eligible for redemption from the fund or general partner, but can be sold to third party buyers in private transactions that typically can be completed in approximately 90 days. It is the intent of the Health System to hold these investments until the fund has fully distributed all proceeds to the limited partners and the term of the partnership agreement expires. Under the terms of these agreements, the Health System has committed to contribute a specified level of capital over a defined period of time. Through June 30, 2015 and 2014, the Health System has committed to contribute approximately \$105,782,000 and \$101,285,000 to such funds, of which the Health System has contributed approximately \$66,918,000 and \$67,206,000 and has outstanding commitments of \$38,864,000 and 34,079,000, respectively.

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6. Property, Plant, and Equipment

Property, plant, and equipment are summarized as follows at June 30, 2015 and 2014:

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|---|-------------------|-------------------|
| Land | \$ 29,558 | \$ 25,839 |
| Land improvements | 31,750 | 30,450 |
| Buildings and improvements | 714,689 | 619,243 |
| Equipment | 590,501 | 507,077 |
| Equipment under capital leases | 17,824 | 16,128 |
| | <u>1,384,322</u> | <u>1,198,737</u> |
| Less: Accumulated depreciation and amortization | 818,816 | 729,757 |
| Total depreciable assets, net | 565,506 | 468,980 |
| Construction in progress | 35,849 | 15,773 |
| | <u>\$ 601,355</u> | <u>\$ 484,753</u> |

As of June 30, 2015 and 2014 construction in progress primarily consists of the construction of the Williamson Research building in Lebanon, NH and the renovation for new inpatient and outpatient rehabilitation space at MAHHC. The estimated cost to complete these projects is \$8,425,000 and \$13,250,000 at June 30, 2015 and 2014, respectively.

Depreciation and amortization expense included in operating and nonoperating activities was approximately \$67,414,000 and \$58,216,000 for 2015 and 2014, respectively.

7. Fair Value Measurements

The following is a description of the valuation methodologies for assets and liabilities measured at fair value on a recurring basis:

Cash and short-term investments: Consists of money market funds and are valued at NAV reported by the financial institution.

Domestic, emerging markets and international equities: Consists of actively traded equity securities and mutual funds which are valued at the closing price reported on an active market on which the individual securities are traded (Level 1 measurements).

U.S. government securities, domestic corporate and global debt securities: Consists of U.S. government securities, domestic corporate and global debt securities, mutual funds and pooled/commingled funds that invest in U.S. government securities, domestic corporate and global debt securities. Securities are valued based on quoted market prices or dealer quotes where available (Level 1 measurement). If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments or, if necessary, matrix pricing from a third party pricing vendor to determine fair value (Level 2 measurements). Matrix prices are based on quoted prices for securities with similar coupons, ratings and maturities, rather than on specific bids and offers for a designated security. Investments in mutual funds are measured based on the quoted NAV as of the close of business in the respective active market (Level 1 measurements).

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Interest rate swaps: The fair value of interest rate swaps, are determined using the present value of the fixed and floating legs of the swaps. Each series of cash flows are discounted by observable market interest rate curves and credit risk.

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

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following tables set forth the consolidated financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2015 and 2014:

| (in thousands of dollars) | 2015 | | | | Redemption or Liquidation | Days' Notice |
|--|-------------------|------------------|-----------------|-------------------|------------------------------|-----------------------|
| | Level 1 | Level 2 | Level 3 | Total | | |
| Assets | | | | | | |
| Investments | | | | | | |
| Cash and short term investments | \$ 15,700 | \$ - | \$ - | \$ 15,700 | Daily | 1 |
| U.S. government securities | 84,095 | - | - | 84,095 | Daily | 1 |
| Domestic corporate debt securities | 34,671 | 81,027 | - | 115,698 | Daily-Monthly | 1-15 |
| Global debt securities | 44,107 | 10,086 | - | 54,193 | Daily-Monthly | 1-15 |
| Domestic equities | 119,883 | - | - | 119,883 | Daily-Monthly | 1-10 |
| International equities | 25,790 | - | - | 25,790 | Daily-Monthly | 1-11 |
| Emerging market equities | 95 | - | - | 95 | Daily-Monthly | 1-7 |
| Other | - | 28 | - | 28 | Not applicable | Not applicable |
| Total investments | 324,341 | 91,141 | - | 415,482 | | |
| Deferred compensation plan assets | | | | | | |
| Cash and short-term investments | 2,988 | - | - | 2,988 | | |
| U.S. government securities | 46 | - | - | 46 | | |
| Domestic corporate debt securities | 5,765 | - | - | 5,765 | | |
| Global debt securities | 748 | - | - | 748 | | |
| Domestic equities | 21,861 | - | - | 21,861 | | |
| International equities | 8,808 | - | - | 8,808 | | |
| Emerging market equities | 2,232 | - | - | 2,232 | | |
| Real Estate | 1,874 | - | - | 1,874 | | |
| Multi Strategy Fund | 8,155 | - | - | 8,155 | | |
| Guaranteed Contract | - | - | 78 | 78 | | |
| Total deferred compensation plan assets | 52,477 | - | 78 | 52,555 | Not applicable | Not applicable |
| Beneficial interest in trusts | - | - | 9,345 | 9,345 | Not applicable | Not applicable |
| Total assets | \$ 376,818 | \$ 91,141 | \$ 9,423 | \$ 477,382 | | |
| Liabilities | | | | | | |
| Interest rate swaps | \$ - | \$ 24,740 | \$ - | \$ 24,740 | Not applicable | Not applicable |
| Total liabilities | \$ - | \$ 24,740 | \$ - | \$ 24,740 | | |

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| (in thousands of dollars) | 2014 | | | | Redemption or Liquidation | Days' Notice |
|--|-------------------|------------------|-----------------|-------------------|------------------------------|-----------------------|
| | Level 1 | Level 2 | Level 3 | Total | | |
| Assets | | | | | | |
| Investments | | | | | | |
| Cash and short term investments | 11,144 | \$ 1,027 | \$ - | \$ 12,171 | Daily | 1 |
| U.S. government securities | 96,699 | - | - | 96,699 | Daily | 1 |
| Domestic corporate debt securities | 33,201 | 68,266 | - | 101,467 | Daily-Monthly | 1-15 |
| Global debt securities | 57,911 | 9,633 | - | 67,544 | Daily-Monthly | 1-15 |
| Domestic equities | 123,620 | - | - | 123,620 | Daily-Monthly | 1-10 |
| International equities | 13,763 | - | - | 13,763 | Daily-Monthly | 1-11 |
| Emerging market equities | 185 | - | - | 185 | Daily-Monthly | 1-7 |
| Other | - | 28 | - | 28 | Not applicable | Not applicable |
| Total investments | 336,523 | 78,954 | - | 415,477 | | |
| Deferred compensation plan assets | | | | | | |
| Cash and short-term investments | 2,753 | 26 | - | 2,779 | | |
| U.S. government securities | 80 | - | - | 80 | | |
| Domestic corporate debt securities | 4,798 | - | - | 4,798 | | |
| Global debt securities | 835 | - | - | 835 | | |
| Domestic equities | 19,318 | - | - | 19,318 | | |
| International equities | 8,735 | - | - | 8,735 | | |
| Emerging market equities | 2,198 | - | - | 2,198 | | |
| Real Estate | 1,665 | - | - | 1,665 | | |
| Multi Strategy Fund | 6,079 | - | - | 6,079 | | |
| Guaranteed Contract | - | - | 75 | 75 | | |
| Total deferred compensation plan assets | 46,461 | 26 | 75 | 46,562 | Not applicable | Not applicable |
| Beneficial interest in trusts | - | - | 1,909 | 1,909 | Not applicable | Not applicable |
| Contribution receivable from charitable | - | - | - | - | | |
| Remainder trust | - | - | 2,118 | 2,118 | Not applicable | Not applicable |
| Total assets | \$ 382,984 | \$ 78,980 | \$ 4,102 | \$ 466,066 | | |
| Liabilities | | | | | | |
| Interest rate swaps | \$ - | \$ 24,413 | \$ - | \$ 24,413 | Not applicable | Not applicable |
| Total liabilities | \$ - | \$ 24,413 | \$ - | \$ 24,413 | | |

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The following table is a rollforward of the statements of financial instruments classified by the Health System within Level 3 of the fair value hierarchy defined above.

| | 2015 | | | |
|-----------------------------------|--|---|---------------------|----------|
| | Beneficial Interest in Perpetual Trust | Contribution Receivable From Charitable Remainder Trust | Guaranteed Contract | Total |
| Balance at beginning of year | \$ 1,909 | \$ 2,118 | \$ 75 | \$ 4,102 |
| Purchases | - | - | 3 | 3 |
| Sales | - | (2,118) | - | (2,118) |
| Net unrealized gains (losses) | (198) | - | - | (198) |
| Net asset transfer from affiliate | 7,634 | - | - | 7,634 |
| Balance at end of year | \$ 9,345 | \$ - | \$ 78 | \$ 9,423 |

| | 2014 | | | |
|-------------------------------|--|---|---------------------|----------|
| | Beneficial Interest in Perpetual Trust | Contribution Receivable From Charitable Remainder Trust | Guaranteed Contract | Total |
| Balance at beginning of year | \$ 1,823 | \$ - | \$ 72 | \$ 1,895 |
| Purchases | - | 2,118 | - | 2,118 |
| Net unrealized gains (losses) | 86 | - | 3 | 89 |
| Balance at end of year | \$ 1,909 | \$ 2,118 | \$ 75 | \$ 4,102 |

There were no transfers into and out of Level 1 and Level 2 measurements due to changes in valuation methodologies during the years ended June 30, 2015 and 2014.

8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2015 and 2014:

| (in thousands of dollars) | 2015 | 2014 |
|---------------------------|-----------|-----------|
| Healthcare services | \$ 30,368 | \$ 28,210 |
| Research | 16,376 | 22,699 |
| Purchase of equipment | 2,483 | 2,681 |
| Charity care | 16,354 | 1,511 |
| Health education | 9,181 | 7,688 |
| Other | 1,695 | 1,875 |
| | \$ 76,457 | \$ 64,664 |

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Permanently restricted net assets consist of the following at June 30, 2015 and 2014:

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|----------------------------------|------------------|------------------|
| Healthcare services | \$ 25,015 | \$ 15,935 |
| Research | 7,689 | 7,634 |
| Purchase of equipment | 6,291 | 4,675 |
| Charity care | 5,609 | 2,874 |
| Health education | 8,454 | 5,129 |
| Other | 23 | 22 |
| | <u>\$ 53,081</u> | <u>\$ 36,269</u> |

Income earned on permanently restricted net assets is available for these purposes.

9. Board Designated and Endowment Funds

Net assets include approximately 60 individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees has interpreted the NH and VT Uniform Prudent Management of Institutional Funds Act (UPMIFA or Act) for donor-restricted endowment funds as requiring the preservation of the original value of gifts, as of the gift date, to donor-restricted endowment funds, absent explicit donor stipulations to the contrary. The Health System classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, if any. Collectively these amounts are referred to as the historic dollar value of the fund.

Unrestricted net assets include funds designated by the Board of Trustees to function as endowments and the income from certain donor-restricted endowment funds, and any accumulated investment return thereon, which pursuant to donor intent may be expended based on trustee or management designation. Temporarily restricted net assets include funds appropriated for expenditure pursuant to endowment and investment spending policies, certain expendable endowment gifts from donors, and any retained income and appreciation on donor-restricted endowment funds, which are restricted by the donor to a specific purpose or by law. When the temporary restrictions on these funds have been met, the funds are reclassified to unrestricted net assets.

In accordance with the Act, the Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources available; and investment policies.

The Health System has endowment investment and spending policies that attempt to provide a predictable stream of funding for programs supported by its endowment while ensuring that the purchasing power does not decline over time. The Health System targets a diversified asset

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allocation that places emphasis on investments in domestic and international equities, fixed income, private equity, and hedge fund strategies to achieve its long-term return objectives within prudent risk constraints. The Health System's Investment Committee reviews the policy portfolio asset allocations, exposures, and risk profile on an ongoing basis.

The Health System, as a policy, may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established, subject to donor intent expressed in the gift instrument and the standard of prudence prescribed by the Act.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their original contributed value. Such market losses were not material as of June 30, 2015 and 2014.

Endowment net asset composition by type of fund consists of the following at June 30, 2015 and 2014:

| <i>(in thousands of dollars)</i> | 2015 | | | Total |
|----------------------------------|--------------|------------------------|------------------------|-----------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | |
| Donor-restricted endowment funds | \$ - | \$ 28,296 | \$ 44,491 | \$ 72,787 |
| Board-designated endowment funds | 26,405 | - | - | 26,405 |
| Total endowed net assets | \$ 26,405 | \$ 28,296 | \$ 44,491 | \$ 99,192 |

| <i>(in thousands of dollars)</i> | 2014 | | | Total |
|----------------------------------|--------------|------------------------|------------------------|-----------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | |
| Donor-restricted endowment funds | \$ - | \$ 13,738 | \$ 34,360 | \$ 48,098 |
| Board-designated endowment funds | 19,834 | - | - | 19,834 |
| Total endowed net assets | \$ 19,834 | \$ 13,738 | \$ 34,360 | \$ 67,932 |

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Changes in endowment net assets for the years ended June 30, 2015 and 2014:

| <i>(in thousands of dollars)</i> | 2015 | | | |
|--|------------------|------------------------|------------------------|------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
| Balances at beginning of year | \$ 19,834 | \$ 13,738 | \$ 34,360 | \$ 67,932 |
| Net investment return | 143 | (223) | 1 | (79) |
| Contributions | - | 974 | 254 | 1,228 |
| Transfers | - | (370) | 158 | (212) |
| Release of appropriated funds | (664) | (2,425) | (46) | (3,135) |
| Net asset transfer from affiliates | 7,092 | 16,602 | 9,764 | 33,458 |
| Balances at end of year | <u>\$ 26,405</u> | <u>\$ 28,296</u> | <u>44,491</u> | <u>\$ 99,192</u> |
| Balances at end of year | | | 44,491 | |
| Beneficial interest in perpetual trust | | | 8,590 | |
| Permanently restricted net assets | | | <u>\$ 53,081</u> | |

| <i>(in thousands of dollars)</i> | 2014 | | | |
|--|------------------|------------------------|------------------------|------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
| Balances at beginning of year | \$ 19,304 | \$ 11,672 | \$ 31,255 | \$ 62,231 |
| Net investment return | 341 | 3,457 | - | 3,798 |
| Contributions | - | 42 | 809 | 851 |
| Transfers | 450 | (280) | 243 | 413 |
| Release of appropriated funds | (261) | (1,539) | - | (1,800) |
| Net asset transfer from affiliates | - | 386 | 2,053 | 2,439 |
| Balances at end of year | <u>\$ 19,834</u> | <u>\$ 13,738</u> | <u>34,360</u> | <u>\$ 67,932</u> |
| Balances at end of year | | | 34,360 | |
| Beneficial interest in perpetual trust | | | 1,909 | |
| Permanently restricted net assets | | | <u>\$ 36,269</u> | |

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10. Long-Term Debt

A summary of long-term debt at June 30, 2015 and 2014 follows:

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|---|-------------------|-------------------|
| Variable rate issues | | |
| New Hampshire Health and Education Facilities | | |
| Authority Revenue Bonds | | |
| Series 2013, principal maturing in varying annual amounts, through August 2043 (9)* | \$ 17,668 | \$ 17,923 |
| Series 2011, principal maturing in varying annual amounts, through August 2031 (4) | 90,005 | 93,395 |
| Vermont Educational and Health Buildings Financing Agency (VEHFBA) Revenue Bonds | | |
| Series 2010A, principal maturing in varying annual amounts, through August 2030 (8)* | 8,182 | - |
| Fixed rate issues | | |
| New Hampshire Health and Education Facilities | | |
| Authority Revenue Bonds | | |
| Series 2014A, principal maturing in varying annual amounts, through August 2022 (1) | 26,960 | - |
| Series 2014B, principal maturing in varying annual amounts, through August 2033 (1) | 14,530 | - |
| Series 2012A, principal maturing in varying annual amounts, through August 2031 (2) | 73,725 | 74,695 |
| Series 2012B, principal maturing in varying annual amounts, through August 2031 (2) | 40,455 | 40,990 |
| Series 2012, principal maturing in varying annual amounts, through July 2039 (7)* | 28,818 | - |
| Series 2010, principal maturing in varying annual amounts, through August 2040 (5) | 75,000 | 75,000 |
| Series 2009, principal maturing in varying annual amounts, through August 2038 (6) | 68,970 | 115,225 |
| * Represents non-obligated group bonds | | |
| Other | | |
| Series 2012, principal maturing in varying annual amounts, through July 2019 (3) | 144,000 | 146,000 |
| Obligations under capital leases | 3,369 | 2,086 |
| Note payable to a financial institution payable in interest free monthly installments through July 2015; collateralized by associated equipment | 4 | 56 |
| Note payable to a financial institution due in monthly interest only payments from October 2011 through September 2012, and monthly installments from October 2016 through 2016, including principal and interest at 3.25%; collateralized by savings account | 1,915 | - |
| Note payable to a financial institution payable in interest free entire principal due June 2029 collateralized by land and building | 555 | - |
| | <u>594,156</u> | <u>565,370</u> |
| Less | | |
| Original issue discount, net | 1,493 | 1,386 |
| Current portion | 17,179 | 13,281 |
| | <u>\$ 575,484</u> | <u>\$ 550,703</u> |

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Aggregate annual principal payments required under revenue bond agreements and capital lease obligations for the next five years and thereafter ending June 30 are as follows:

| <i>(in thousands of dollars)</i> | 2015 |
|----------------------------------|-------------------|
| 2016 | \$ 17,179 |
| 2017 | 17,493 |
| 2018 | 17,971 |
| 2019 | 18,280 |
| 2020 | 143,235 |
| Thereafter | <u>379,998</u> |
| | <u>\$ 594,156</u> |

Dartmouth-Hitchcock Obligated Group (DHOG) Bonds:

MHMH established the DHOG in 1993 for the original purpose of issuing bonds financed through NHHEFA or the "Authority". The members of the obligated group consist of MHMH and DHC.

Revenue Bonds issued by members of the DHOG are administered through notes registered in the name of the Bond Trustee and in accordance with the terms of a Master Trust Indenture. The Master Trust Indenture contains provisions permitting the addition, withdrawal, or consolidation of members of the DHOG under certain conditions. The notes constitute a joint and several obligation of the members of the DHOG (and any other future members of the DHOG) and are equally and ratably collateralized by a pledge of the members' gross receipts. The DHOG is also subject to certain annual covenants under the Master Trust Indenture, the most restrictive of which are the Maximum Annual Debt Service Coverage Ratio (1.10x) and the Days Cash on Hand Ratio (> 75 days).

(1) Series 2014 A and Series 2014B Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2014A and Series 2014B in August 2014. The proceeds from the Series 2014A and 2014B were used to partially refund the Series 2009 Revenue Bonds and to cover cost of issuance. Interest on the 2014A Revenue Bonds is fixed with an interest rate of 2.63% and matures at various dates through 2022. Interest on the Series 2014B Revenue Bonds is fixed with an interest rate of 4.00% and matures at various dates through 2033.

(2) Series 2012A and 2012B Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2012A and Series 2012B in November 2012. The proceeds from the Series 2012A and 2012B were used to advance refund the Series 2002 Revenue Bonds and to cover cost of issuance. Interest on the 2012A Revenue Bonds is fixed with an interest rate of 2.29% and matures at various dates through 2031. Interest on the Series 2012B Revenue Bonds is fixed with an interest rate of 2.33% and matures at various dates through 2031.

(3) Series 2012 Bank Loan

Through the DHOG, issued the Bank of America, N.A. Series 2012 note, in July 2012. The proceeds from the Series 2012 note were used to prefund the D-H defined benefit pension plan. Interest on the Series 2012 note accrues at a fixed rate of 2.47% and matures at various dates through 2019.

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(4) Series 2011 Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2011 in August 2011. The proceeds from the Series 2011 Revenue Bonds were primarily used to advance refund the Series 2001A Revenue Bonds. The Series 2011 Revenue Bonds accrue interest variably and mature at various dates through 2031 based on the one-month London Interbank Offered Rate (LIBOR). The variable rate as of June 30, 2015 and 2014 was 1.04% and 1.01%, respectively. The Series 2011 Bonds are callable by the bank upon the end of seven years or may be renegotiated at that time.

(5) Series 2010 Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2010, in June 2010. The proceeds from the Series 2010 Revenue Bonds were primarily used to construct a 140,000 square foot ambulatory care facility in Nashua, NH as well as various equipment. Interest on the bonds accrue at a fixed rate of 5.00% and mature at various dates through August 2040.

(6) Series 2009 Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2009, in August 2009. The proceeds from the Series 2009 Revenue Bonds were primarily used to advance refund the Series 2008 Revenue Bonds. Interest on the Series 2009 Revenue Bonds accrue at varying fixed rates between 3.00% and 6.00% and mature at various dates through August 2038.

Outstanding joint and several indebtedness of the DHOG at June 30, 2015 and 2014 approximates \$533,645,000 and \$545,305,000, respectively.

Non Obligated Group Bonds:

(7) Series 2012 Revenue Bonds

Issued through the NHHEFA \$29,650,000 of tax-exempt Revenue Bonds (Series 2012). The proceeds of these bonds were used to refund 1998 and 2009 Series Bonds, to finance the settlement cost of the interest rate swap, and to finance the purchase of certain equipment and renovations. The bonds are collateralized by an interest in its gross receipts under the terms of the bond agreement. The bonds have fixed interest coupon rates ranging from 2.0% to 5.0% (a net interest cost of 3.96%). Principal is payable in annual installments ranging from \$735,000 to \$1,750,000 through July 2039.

(8) Series 2010A Revenue Bonds

Issued through the VEHBFA \$9,244,000 of Revenue Bonds (Series 2010A). The funds were used to refund 2004 and 2005 Series A Bonds. The bonds are collateralized by gross receipts. The bonds shall bear interest at the one-month LIBOR rate plus 3.50%, multiplied by 6% adjusting monthly. The interest rate at June 30, 2015 was 2.29%. The bonds were purchased by TD Bank. Principal payments began on April 1, 2016 for a period of 20 years ranging in amounts from \$228,000 in 2014 to \$207,000 in 2030.

(9) Series 2013 Revenue Bonds

Issued through the NHHEFA \$15,520,000 tax exempt Revenue Bonds (Series 2013). The funds were used to refund Series 2007 Revenue Bonds, and for the construction of a new health center building in Newport, NH. The bonds are collateralized by the gross receipts and property. The bonds mature in variable amounts through 2043, the maturity date of the bonds, but are subject to mandatory tender in ten years. Interest is payable monthly and is equal to the sum of .72 times

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the Adjusted LIBOR Rate plus .72 times the credit spread rate. As part of the bond refinancing, the swap arrangement was effectively terminated for federal tax purposes with respect to the Series 2007 Revenue Bonds but remains in effect.

The estimated fair value of the Health Systems total long-term debt as of June 30, 2015 and 2014 was approximately \$606,772,000 and \$555,500,000, respectively, which was determined by discounting the future cash flows of each instrument at rates that reflect rates currently observed in publicly traded debt markets for debt of similar terms to organizations with comparable credit risk. The inputs to the assumptions used to determine the estimated fair value are based on observable inputs and are classified as level 2. For variable rate debt, the carrying value is equal to the fair value.

The Health System Indenture agreements require establishment and maintenance of debt service reserves and other trustee held funds. Trustee held funds of approximately \$1,778,000 and \$493,000 at June 30, 2015 and 2014, respectively, are classified as assets limited as to use in the accompanying consolidated balance sheets.

For the years ended June 30, 2015 and 2014 interest expense on the Health System's long term debt is reflected in the accompanying consolidated statements of operations and changes in net assets as operating expense of approximately \$18,442,000 and \$18,436,000 and is included in other nonoperating losses of \$3,449,000 and \$3,669,000, respectively.

Swap Agreements

The Health System is subject to market risks such as changes in interest rates that arise from normal business operation. The Health System regularly assesses these risks and has established business strategies to provide natural offsets, supplemented by the use of derivative financial instruments to protect against the adverse effect of these and other market risks. The Health System has established clear policies, procedures, and internal controls governing the use of derivatives and does not use them for trading, investment, or other speculative purposes.

A summary of the Health System's derivative financial instruments is as follows:

- A Fixed Payor Swap, designed as a cash flow hedge of the NHHEFA Series 2011 Revenue Bonds. The Swap had an initial notional amount of \$91,040,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 4.56% in exchange for the counterparty's payment of 67% of USD-LIBOR-BBA. The Swap's term matches that of the associated bonds.
- An Interest Rate Swap to hedge the interest rate risk associated with the NHHEFA Series 2013 Revenue Bonds. The Swap had an initial notional amount of \$15,000,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 3.94% in exchange for the counterparty's payment at 67% of USD-LIBOR-BBA. The Swap term matches that of the associated bonds.
- An Interest Rate Swap to hedge the interest rate risk associated with the VEHFBA Series 2010A Revenue Bonds. The Swap had an initial notional amount of \$7,244,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 2.41% in exchange for the counterparty's payment of 69% of USD-LIBOR-BBA. The Swap is outstanding until 2017, while the bonds will remain outstanding until 2030.

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The obligation of the Health System to make payments on its bonds with respect to interest is in no way conditional upon the Health System's receipt of payments from the interest rate swap agreement counterparty.

At June 30, 2015 and 2014 the fair value of the Health System's interest rate swaps was a liability of \$24,740,000 and \$24,413,000, respectively. The change in fair value during the years ended June 30, 2015 and 2014 was a (decrease)/increase of (\$931,000) and \$1,538,000, respectively. For the years ended June 30, 2015 and 2014 the Health System recognized a non-operating gain/ (loss) of \$1,035,000 and (\$570,000) resulting from hedge ineffectiveness and amortization of frozen swaps.

11. Employee Benefits

All eligible employees of the Health System are covered under various defined benefit and/or define contribution plans. In addition, certain affiliates provide postretirement medical and life benefit plans to certain of its active and former employees who meet eligibility requirements. The postretirement medical and life plans are not funded.

All of the defined benefit plans within the Health System have been frozen or have been approved by the applicable Board of Trustees to be frozen by December 31, 2017. Effective with that date, the last of the participants earning benefits in any of the Health System's defined benefit plans will no longer earn benefits under the plans.

The Health System continued to execute the settlement of obligations due to retirees in the deferred benefit plans through bulk lump sum offerings or purchases of annuity contracts. The annuity purchases follow guidelines established by the Department of Labor (DOL). The Health System anticipates continued consideration and/or implementation of additional settlements over the next several years.

Defined Benefit Plans

Net periodic pension expense included in employee benefits in the consolidated statements of operations and changes in net assets is comprised of the components listed below for the years ended June 30, 2015 and 2014:

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|--|------------------|------------------|
| Service cost for benefits earned during the year | \$ 12,257 | \$ 12,122 |
| Interest cost on projected benefit obligation | 42,276 | 41,821 |
| Expected return on plan assets | (60,458) | (55,177) |
| Net prior service cost | 380 | 380 |
| Net loss amortization | 21,133 | 17,285 |
| Curtailement | 56 | - |
| | <u>\$ 15,644</u> | <u>\$ 16,431</u> |

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The following assumptions were used to determine net periodic pension expense as of June 30, 2015 and 2014:

| | 2015 | 2014 |
|--|----------------------------|------------|
| Weighted average discount rate | 4.40 % - 4.90 % | 5.50 % |
| Rate of increase in compensation | Age Graded 0.00 % - 2.50 % | Age Graded |
| Expected long-term rate of return on plan assets | 7.50 % - 7.75 % | 7.75 % |

The following table sets forth the funded status and amounts recognized in the Health System's consolidated financial statements for the defined benefit pension plans at June 30, 2015 and 2014:

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|--|---------------------|--------------------|
| Change in benefit obligation | | |
| Benefit obligation at beginning of year | \$ 877,082 | \$ 812,374 |
| Additional benefit obligation resulting from new affiliations | 95,314 | - |
| Total benefit obligation at beginning of year | <u>972,396</u> | <u>812,374</u> |
| Service cost | 12,257 | 12,122 |
| Interest cost | 42,276 | 41,821 |
| Benefits paid | (34,803) | (31,467) |
| Expenses paid | (139) | - |
| Actuarial (gain) loss | 41,135 | 94,207 |
| Settlements | (44,979) | (51,975) |
| Benefit obligation at end of year | <u>988,143</u> | <u>877,082</u> |
| Change in plan assets | | |
| Fair value of plan assets at beginning of year | 783,890 | 718,064 |
| Additional plan assets at fair value resulting from new affiliations | 77,608 | - |
| Total fair value of plan assets at beginning of year | <u>861,498</u> | <u>718,064</u> |
| Actual return on plan assets | 25,473 | 112,218 |
| Benefits paid | (34,803) | (31,467) |
| Expenses paid | (139) | - |
| Employer contributions | 38,002 | 37,050 |
| Settlements | (44,979) | (51,975) |
| Fair value of plan assets at end of year | <u>845,052</u> | <u>783,890</u> |
| Funded status of the plans | (143,091) | (93,192) |
| Current portion of liability for pension | (2,758) | (46) |
| Long term portion of liability for pension | <u>(140,333)</u> | <u>(93,146)</u> |
| Liability for pension | <u>\$ (143,091)</u> | <u>\$ (93,192)</u> |

For the years ended June 30, 2015 and 2014 the liability for pension is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

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Amounts not yet reflected in net periodic pension expense and included in the change in unrestricted net assets as of June 30, 2015 and 2014:

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|----------------------------------|-------------------|-------------------|
| Net actuarial loss | \$ 368,959 | \$ 311,084 |
| Prior service cost | 608 | 989 |
| | <u>\$ 369,567</u> | <u>\$ 312,073</u> |

The estimated amounts that will be amortized from unrestricted net assets into net periodic pension expense in 2016 are as follows:

| <i>(in thousands of dollars)</i> | |
|----------------------------------|------------------|
| Unrecognized prior service cost | \$ 380 |
| Net actuarial loss | 26,098 |
| | <u>\$ 26,478</u> |

The accumulated benefit obligation for the defined benefit pension plans was approximately \$971,193,000 and \$856,673,000 at June 30, 2015 and 2014, respectively.

The following table sets forth the assumptions used to determine the benefit obligation at June 30, 2015 and 2014:

| | 2015 | 2014 |
|--|----------------------------|------------|
| Weighted average discount rate | 4.90 % - 5.00 % | 4.90 % |
| Rate of increase in compensation | Age Graded/0.00 % - 2.50 % | Age Graded |
| Expected long-term rate of return on plan assets | 7.50 % - 7.75 % | 7.75 % |

The primary investment objective for the Plan's assets is to support the Pension liabilities of the Pension Plans for Employees of the Health System, by providing long-term capital appreciation and by also using a Liability Driven Investing ("LDI") strategy to partially hedge the impact fluctuating interest rates have on the value of the Plan's liabilities. As of June 30, 2015 and 2014, it is expected that the LDI strategy will hedge approximately 65% and 70%, respectively, of the interest rate risk associated with pension liabilities. To achieve the appreciation and hedging objectives, the Plans utilize a diversified structure of asset classes designed to achieve stated performance objectives measured on a total return basis, which includes income plus realized and unrealized gains and losses.

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The range of target allocation percentages and the target allocations for the various investments are as follows:

| | Range of Target Allocations | Target Allocations |
|---------------------------------|--|-------------------------------|
| Cash and short-term investments | 0-5 % | 2 % |
| U.S. government securities | 0-5 | 1 |
| Domestic debt securities | 20-58 | 42 |
| Global debt securities | 5-26 | 10 |
| Domestic equities | 5-35 | 18 |
| International equities | 5-15 | 10 |
| Emerging market equities | 3-13 | 5 |
| REIT Funds | 0-5 | - |
| Private equity funds | 0-5 | - |
| Hedge funds | 5-18 | 12 |

To the extent an asset class falls outside of its target range on a ~~quarterly~~ basis, the Health System shall determine appropriate steps, as it deems necessary, to ~~rebalance the~~ asset class.

The Boards of Trustees of the Health System, as Plan Sponsors, ~~oversee~~ the design, structure, and prudent professional management of the Health System's Plans' ~~assets~~, in accordance with Board approved investment policies, roles, responsibilities and authorities ~~and~~ more specifically the following:

- Establishing and ~~modifying~~ asset class targets with Board ~~approved~~ policy ranges,
- Approving the asset class rebalancing procedures,
- Hiring and terminating investment managers, and
- Monitoring performance of the investment managers, ~~custodians~~ and investment consultants.

The hierarchy and inputs to valuation techniques to measure fair ~~value of~~ the Plans' assets are the same as outlined in Note 7. In addition, the estimation of fair value of ~~investments~~ in private equity and hedge funds for which the underlying securities do not have a ~~readily~~ determinable value is made using the NAV per share or its equivalent as a practical expedient. ~~The~~ Health System's Plans own interests in these funds rather than in securities underlying each ~~fund and~~, therefore, are generally required to consider such investments as Level 2 or Level 3, even ~~though~~ the underlying securities may not be difficult to value or may be readily marketable.

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The following table sets forth the Health System's Plans' investments and deferred compensation plan assets that were accounted for at fair value as of June 30, 2015 and 2014:

| <i>(in thousands of dollars)</i> | 2015 | | | | Redemption or Liquidation | Days' Notice |
|----------------------------------|-------------------|-------------------|------------------|-------------------|------------------------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total | | |
| Investments | | | | | | |
| Cash and short-term investments | \$ 8,235 | \$ 32,876 | \$ - | \$ 41,111 | Daily | 1 |
| U.S. government securities | 4,193 | - | - | 4,193 | Daily-Monthly | 1-15 |
| Domestic debt securities | 85,948 | 246,352 | - | 332,300 | Daily-Monthly | 1-15 |
| Global debt securities | 36,532 | 45,119 | - | 81,651 | Daily-Monthly | 1-15 |
| Domestic equities | 152,458 | 16,532 | - | 168,990 | Daily-Monthly | 1-10 |
| International equities | 15,284 | 79,659 | - | 94,943 | Daily-Monthly | 1-11 |
| Emerging market equities | 376 | 38,237 | - | 38,613 | Daily-Monthly | 1-17 |
| REIT Funds | - | 1,628 | - | 1,628 | Daily-Monthly | 1-17 |
| Private equity funds | - | - | 437 | 437 | See Note 7 | See Note 7 |
| Hedge funds | - | 39,110 | 42,076 | 81,186 | Quarterly-Annual | 60-96 |
| Total investments | \$ 303,026 | \$ 499,513 | \$ 42,513 | \$ 845,052 | | |

| <i>(in thousands of dollars)</i> | 2014 | | | | Redemption or Liquidation | Days' Notice |
|----------------------------------|-------------------|-------------------|------------------|-------------------|------------------------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total | | |
| Investments | | | | | | |
| Cash and short-term investments | \$ 7,205 | \$ 51,347 | \$ - | \$ 58,552 | Daily | 1 |
| Domestic debt securities | 74,388 | 241,679 | - | 316,067 | Daily-Monthly | 1-15 |
| Global debt securities | 39,591 | 46,151 | - | 85,742 | Daily-Monthly | 1-15 |
| Domestic equities | 131,761 | 10,390 | - | 142,151 | Daily-Monthly | 1-10 |
| International equities | - | 77,262 | - | 77,262 | Daily-Monthly | 1-11 |
| Emerging market equities | - | 41,537 | - | 41,537 | Daily-Monthly | 1-17 |
| Private equity funds | - | - | 3,944 | 3,944 | See Note 7 | See Note 7 |
| Hedge funds | - | 30,169 | 28,466 | 58,635 | Quarterly-Annual | 60-96 |
| Total investments | \$ 252,945 | \$ 498,535 | \$ 32,410 | \$ 783,890 | | |

The following table presents additional information about the changes in Level 3 assets measured at fair value for the years ended June 30, 2015 and 2014:

| <i>(in thousands of dollars)</i> | 2015 | | |
|---|------------------|-------------------------|------------------|
| | Hedge Funds | Private Equity Funds | Total |
| Balances at beginning of year | \$ 28,466 | \$ 3,944 | \$ 32,410 |
| Additions resulting from new affiliations | 14,362 | - | 14,362 |
| Sales | (2,391) | (3,168) | (5,559) |
| Net realized (losses) gains | (246) | 258 | 12 |
| Net unrealized gains | 1,885 | (597) | 1,288 |
| Balances at end of year | \$ 42,076 | \$ 437 | \$ 42,513 |

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

| <i>(in thousands of dollars)</i> | 2014 | | |
|----------------------------------|------------------|-------------------------|------------------|
| | Hedge Funds | Private Equity Funds | Total |
| Balances at beginning of year | \$ 26,449 | \$ 12,761 | \$ 39,210 |
| Purchases | - | 6 | 6 |
| Sales | (709) | (9,220) | (9,929) |
| Net realized (losses) gains | (59) | 1,470 | 1,411 |
| Net unrealized gains | 2,785 | (1,073) | 1,712 |
| Balances at end of year | <u>\$ 28,466</u> | <u>\$ 3,944</u> | <u>\$ 32,410</u> |

The total aggregate net unrealized gains (losses) included in the fair value of the Level 3 investments as of June 30, 2015 and 2014 were approximately \$5,234,000 and \$7,187,000, respectively. There were no transfers into and out of Level 3 measurements during the years ended June 30, 2015 and 2014.

There were no transfers into and out of Level 1 and Level 2 measurements due to changes in valuation methodologies during the years ended June 30, 2015 and 2014.

The weighted average asset allocation for the Health System's Plans at June 30, 2015 and 2014 by asset category is as follows:

| | 2015 | 2014 |
|---------------------------------|--------------|--------------|
| Cash and short-term investments | 5 % | 7 % |
| Domestic debt securities | 39 | 40 |
| Global debt securities | 10 | 11 |
| Domestic equities | 20 | 18 |
| International equities | 11 | 10 |
| Emerging market equities | 5 | 5 |
| Private equity funds | - | 1 |
| Hedge funds | 10 | 8 |
| | <u>100 %</u> | <u>100 %</u> |

The expected long-term rate of return on plan assets is reviewed annually, taking into consideration the asset allocation, historical returns on the types of assets held, and the current economic environment. Based on these factors, it is expected that the pension assets will earn an average of 7.75% per annum.

The Health System is expected to contribute approximately \$37,000,000 to the Plans in 2016.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the year ending June 30, 2016 and thereafter:

| <i>(in thousands of dollars)</i> | Pension Plans |
|----------------------------------|---------------|
| 2016 | \$ 37,716 |
| 2017 | 40,158 |
| 2018 | 43,006 |
| 2019 | 46,233 |
| 2020 | 49,955 |
| 2021-2025 | 299,954 |

Defined Contribution Plans

The Health System has an employer-sponsored 401(a) plan for certain of its affiliates, under which the employer makes base, transition and discretionary match contributions based on specified percentages of compensation and employee deferral amounts. Total employer contributions to the plan of \$30,204,000 and \$33,068,000 in 2015 and 2014, respectively, are included in employee benefits in the accompanying consolidated statements of operations and changes in net assets.

The Health System also has available to employees of certain affiliates various 403(b) and tax-sheltered annuity plans in which they can participate. Plan specifications vary by affiliate and plan. No employer contributions were made to any of these plans in 2015 and 2014, respectively.

Postretirement Medical and Life Benefits

The Health System has postretirement medical and life benefit plans covering certain of its active and former employees. The plans generally provide medical or medical and life insurance benefits to certain retired employees who meet eligibility requirements. The plans are not funded.

Net periodic postretirement medical and life benefit cost is comprised of the components listed below for the years ended June 30, 2015 and 2014:

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|--------------------------------------|-----------------|-----------------|
| Service cost | \$ 527 | \$ 1,803 |
| Interest cost | 2,347 | 4,411 |
| Amortization of net transition asset | - | 7 |
| | <u>\$ 2,874</u> | <u>\$ 6,221</u> |

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

The following table sets forth the accumulated postretirement medical and life benefit obligation and amounts recognized in the Health System's consolidated financial statements at June 30, 2015 and 2014:

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|---|--------------------|--------------------|
| Change in benefit obligation | | |
| Benefit obligation at beginning of year | \$ 51,006 | \$ 84,538 |
| Additional benefit obligation resulting from new affiliations | 471 | - |
| | <u>51,477</u> | <u>84,538</u> |
| Service cost | 527 | 1,803 |
| Interest cost | 2,347 | 4,411 |
| Benefits paid | (5,236) | (5,770) |
| Actuarial loss | 1,323 | 5,450 |
| Plan amendments | - | (39,426) |
| Benefit obligation at end of year | <u>50,438</u> | <u>51,006</u> |
| Funded status of the plans | <u>(50,438)</u> | <u>(51,006)</u> |
| Current portion of liability for postretirement medical and life benefits | <u>(3,203)</u> | <u>(5,096)</u> |
| Long term portion of liability for postretirement medical and life benefits | <u>(47,235)</u> | <u>(45,910)</u> |
| Liability for postretirement medical and life benefits | <u>\$ (50,438)</u> | <u>\$ (51,006)</u> |

The plan amendments are primarily related to the Board's decision to offer retiree health care benefits to certain affiliates post-65 retirees and covered post-65 dependents through a private Medicare exchange beginning in April 2015.

For the years ended June 30, 2015 and 2014 the liability for postretirement medical and life benefits is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

Amounts not yet reflected in net periodic postretirement medical and life benefit cost and included in the change in unrestricted net assets are as follows:

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|----------------------------------|--------------------|--------------------|
| Net prior service (credit) cost | \$ (33,452) | \$ (39,426) |
| Net actuarial loss (gain) | 10,260 | 9,559 |
| | <u>\$ (23,192)</u> | <u>\$ (29,867)</u> |

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

The estimated amounts that will be amortized from unrestricted net assets into net periodic postretirement expense in 2015 and 2014 are as follows:

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|----------------------------------|-------------------|-------------------|
| Net prior service (credit) cost | \$ (5,974) | \$ (5,974) |
| Net loss (gain) | <u>610</u> | <u>513</u> |
| | <u>\$ (5,364)</u> | <u>\$ (5,461)</u> |

In determining the accumulated postretirement medical and life benefit obligation, the Health System used a discount rate of 4.7% in 2015 and an assumed healthcare cost trend rate of 7.25%, trending down to 4.75% in 2020 and thereafter. Increasing the assumed healthcare cost trend rates by one percentage point in each year would increase the accumulated postretirement medical benefit obligation as of June 30, 2015 and 2014 by \$4,479,000 and \$4,411,000 and the net periodic postretirement medical benefit cost for the years then ended by \$275,000 and \$576,000, respectively. Decreasing the assumed healthcare cost trend rates by one percentage point in each year would decrease the accumulated postretirement medical benefit obligation as of June 30, 2015 and 2014 by \$3,790,000 and \$3,759,000 and the net periodic postretirement medical benefit cost for the years then ended by \$233,000 and \$649,000, respectively.

12. Professional and General Liability Insurance Coverage

D-H, along with Dartmouth College and The Cheshire Medical Center are provided professional and general liability insurance on a claims-made basis through Hamden Assurance Risk Retention Group, Inc. (RRG), a Vermont captive insurance company. RRG reinsures the majority of this risk to Hamden Assurance Company Limited (HAC), a captive insurance company domiciled in Bermuda and to a variety of commercial reinsurers. D-H and Dartmouth College have ownership interests in both HAC and RRG. The insurance program provides coverage to the covered institutions and named insureds on a modified claims-made basis which means coverage is triggered when claims are made. Premiums and related insurance deposits are actuarially determined based on asserted liability claims adjusted for future development. The reserves for outstanding losses are recorded on an undiscounted basis.

NLH and MAHHC are covered for malpractice claims under a modified claims-made policy purchased through NEAH. While NLH and MAHHC remain in the current insurance program under this policy, the coverage year is based on the date the claim is filed, subject to a medical incident arising after the retroactive date (includes prior acts). The policy provides modified claims-made coverage for former insured providers for claims that relate to the employee's period of employment at NLH or MAHHC and for services that were provided within the scope of the employee's duties. Therefore, when the employee leaves the corporation, tail coverage is not required.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

Selected financial data of HAC and RRG, taken from the latest available audited and unaudited financial statements, respectively at June 30, 2015 and 2014 are summarized as follows:

| <i>(in thousands of dollars)</i> | 2015 | | |
|----------------------------------|-------------------------|---------------------------|------------|
| | HAC <i>(audited)</i> | RRG <i>(unaudited)</i> | Total |
| Assets | \$ 100,418 | \$ 2,289 | \$ 102,707 |
| Shareholders' equity | 13,620 | 755 | 14,375 |
| Net income | - | 186 | 186 |

| <i>(in thousands of dollars)</i> | 2014 | | |
|----------------------------------|-------------------------|-------------------------|------------|
| | HAC <i>(audited)</i> | RRG <i>(audited)</i> | Total |
| Assets | \$ 104,644 | \$ 1,880 | \$ 106,524 |
| Shareholders' equity | 13,620 | 569 | 14,189 |
| Net income | - | 26 | 26 |

13. Commitments and Contingencies

Litigation

The Health System is involved in various malpractice claims and legal proceedings of a nature considered normal to its business. The claims are in various stages and some may ultimately be brought to trial. While it is not feasible to predict or determine the outcome of any of these claims, it is the opinion of management that the final outcome of these claims will not have a material effect on the consolidated financial position of the Health System.

Operating Leases and Other Commitments

The Health System leases certain facilities and equipment under operating leases with varying expiration dates. The Health System's rental expense totaled approximately \$10,215,000 and \$9,925,000 for the years ended June 30, 2015 and 2014, respectively. Minimum future lease payments under non-cancelable operating leases at June 30, 2015 were as follows:

(in thousands of dollars)

| | |
|------------|------------------|
| 2016 | \$ 8,272 |
| 2017 | 5,774 |
| 2018 | 3,971 |
| 2019 | 2,583 |
| 2020 | 939 |
| Thereafter | 722 |
| | <u>\$ 22,261</u> |

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Notes to Financial Statements
Years Ended June 30, 2015 and 2014

Line of Credit

The Health System has entered into Loan Agreements with financial institutions establishing access to revolving loans ranging from \$2,000,000 up to \$60,000,000. Interest is variable and determined using LIBOR or the Wall Street Journal Prime Rate. The Loan Agreements are due to expire ranging from December 31, 2015 through May 31, 2016. The Health System has outstanding balances under the lines of credits in the amount of \$1,200,000 and \$0 at June 30, 2015 and 2014, respectively. Interest expense was approximately \$193,000 and \$185,000, respectively, and is included in the consolidated statements of operations and changes in net assets.

14. Functional Expenses

Operating expenses of the Health System by function are as follows for the years ended June 30, 2015 and 2014:

| <i>(in thousands of dollars)</i> | 2015 | 2014 |
|----------------------------------|---------------------|---------------------|
| Program services | \$ 1,335,316 | \$ 1,192,696 |
| Management and general | 225,983 | 172,626 |
| Fundraising | 8,037 | 8,122 |
| | <u>\$ 1,569,336</u> | <u>\$ 1,373,444</u> |

15. Subsequent Events

The Health System has assessed the impact of subsequent events through November 27, 2015, the date the audited consolidated financial statements were issued, and has concluded that there were no such events that require adjustment to the audited consolidated financial statements or disclosure in the notes to the audited consolidated financial statements other than as noted below.

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2015A in September 2015 through a private placement with a financial institution. The Series 2015A Revenue Bonds were primarily used to refinance a portion of the Series 2011 Revenue Bonds. The Series 2015A Revenue Bonds accrue interest variably and mature at various dates through 2032.

Consolidating Supplemental Information

Dartmouth-Hitchcock Health and Subsidiaries
 Consolidating Balance Sheets
 June 30, 2015

| | D-HH (parent) | D-H and Subsidiaries | Cheshire and Subsidiaries | NLH and Subsidiaries | MAHHC and Subsidiaries | Eliminations | Health System Consolidated |
|---|------------------|-------------------------|------------------------------|-------------------------|---------------------------|--------------|----------------------------------|
| <i>(in thousands of dollars)</i> | | | | | | | |
| Assets | | | | | | | |
| Current assets | | | | | | | |
| Cash and cash equivalents | \$ 388 | \$ 9,279 | \$ 16,525 | \$ 7,612 | \$ 5,105 | \$ - | \$ 38,909 |
| Patient accounts receivable, net | - | 177,287 | 14,053 | 7,388 | 5,544 | - | 204,272 |
| Prepaid expenses and other current assets | 11,574 | 102,954 | 7,921 | 3,632 | 2,616 | (28,111) | 100,586 |
| Total current assets | 11,962 | 289,520 | 38,499 | 16,632 | 13,265 | (28,111) | 343,767 |
| Assets limited as to use | - | 570,057 | 23,302 | 13,412 | 13,654 | - | 620,425 |
| Other investments for restricted activities | - | 113,117 | 18,899 | - | - | - | 132,016 |
| Property, plant, and equipment, net | 618 | 481,044 | 82,793 | 37,597 | 19,303 | - | 601,355 |
| Other assets | 4,263 | 66,837 | 10,130 | 5,451 | 3,903 | (2,134) | 88,450 |
| Total assets | \$ 16,843 | \$ 1,500,575 | \$ 173,823 | \$ 75,092 | \$ 50,125 | \$ (30,245) | \$ 1,786,013 |
| Liabilities and Net Assets | | | | | | | |
| Current liabilities | | | | | | | |
| Current portion of long-term debt | \$ - | \$ 15,196 | \$ 952 | \$ 661 | \$ 370 | \$ - | \$ 17,179 |
| Line of credit | - | - | - | - | 1,200 | - | 1,200 |
| Current portion of liability for pension and other postretirement plan benefits | - | 3,249 | 2,712 | - | - | - | 5,961 |
| Accounts payable and accrued expenses | 15,708 | 104,897 | 20,024 | 3,843 | 4,059 | (28,110) | 120,221 |
| Accrued compensation and related benefits | - | 85,084 | 4,936 | 2,373 | 2,481 | - | 94,864 |
| Estimated third-party settlements | - | 26,961 | - | 6,755 | 2,883 | - | 36,599 |
| Total current liabilities | 15,708 | 235,167 | 28,624 | 13,632 | 11,003 | (28,110) | 276,024 |
| Long-term debt, excluding current portion | - | 518,799 | 28,093 | 18,020 | 10,582 | - | 575,484 |
| Insurance deposits and related liabilities | - | 62,356 | - | - | - | - | 62,356 |
| Interest rate swaps | - | 20,937 | - | 3,531 | 272 | - | 24,740 |
| Liability for pension and other postretirement plan benefits, excluding current portion | - | 175,948 | 5,662 | - | 5,958 | - | 187,568 |
| Other liabilities | - | 51,303 | 3,671 | 1,135 | - | - | 56,109 |
| Total liabilities | 15,708 | 1,064,510 | 66,040 | 36,318 | 27,815 | (28,110) | 1,182,281 |
| Net assets | | | | | | | |
| Unrestricted | 1,135 | 346,900 | 79,700 | 34,227 | 14,367 | (2,135) | 474,194 |
| Temporarily restricted | - | 56,751 | 17,330 | 328 | 2,050 | - | 76,457 |
| Permanently restricted | - | 32,414 | 10,553 | 4,221 | 5,953 | - | 53,081 |
| Total net assets | 1,135 | 436,065 | 107,583 | 38,774 | 22,310 | (2,135) | 603,732 |
| Commitments and contingencies | | | | | | | |
| Total liabilities and net assets | \$ 16,843 | \$ 1,500,575 | \$ 173,823 | \$ 75,092 | \$ 50,125 | \$ (30,245) | \$ 1,786,013 |

Dartmouth-Hitchcock and Subsidiaries
Consolidating Balance Sheets
June 30, 2015

| | D-H Obligated Group | THF | DHMC | Eliminations | D-H and Subsidiaries |
|---|---------------------------|-----------|----------|--------------|-------------------------|
| <i>(in thousands of dollars)</i> | | | | | |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | \$ 8,252 | \$ 182 | \$ 845 | \$ - | \$ 9,279 |
| Patient accounts receivable, net | 177,287 | - | - | - | 177,287 |
| Prepaid expenses and other current assets | 102,425 | 338 | 438 | (247) | 102,954 |
| Total current assets | 287,964 | 520 | 1,283 | (247) | 289,520 |
| Assets limited as to use | 570,057 | - | - | - | 570,057 |
| Other investments for restricted activities | 89,176 | 23,941 | - | - | 113,117 |
| Property, plant, and equipment, net | 458,368 | 1 | 2,675 | - | 461,044 |
| Other assets | 66,675 | 3 | 159 | - | 66,837 |
| Total assets | \$ 1,472,240 | \$ 24,465 | \$ 4,117 | \$ (247) | \$ 1,500,575 |
| Liabilities and Net Assets | | | | | |
| Current liabilities | | | | | |
| Current portion of long-term debt | \$ 15,196 | \$ - | \$ - | \$ - | \$ 15,196 |
| Current portion of liability for pension and other postretirement plan benefits | 3,249 | - | - | - | 3,249 |
| Accounts payable and accrued expenses | 102,666 | 1,556 | 742 | (247) | 104,697 |
| Accrued compensation and related benefits | 85,084 | - | - | - | 85,084 |
| Estimated third-party settlements | 28,961 | - | - | - | 28,961 |
| Total current liabilities | 233,136 | 1,536 | 742 | (247) | 235,167 |
| Long-term debt, excluding current portion | 518,799 | - | - | - | 518,799 |
| Insurance deposits and related liabilities | 62,356 | - | - | - | 62,356 |
| Interest rate swaps | 20,937 | - | - | - | 20,937 |
| Liability for pension and other postretirement plan benefits, excluding current portion | 175,948 | - | - | - | 175,948 |
| Other liabilities | 51,303 | - | - | - | 51,303 |
| Total liabilities | 1,062,479 | 1,536 | 742 | (247) | 1,064,510 |
| Net assets | | | | | |
| Unrestricted | 329,168 | 14,517 | 3,215 | - | 346,900 |
| Temporarily restricted | 50,297 | 6,294 | 160 | - | 56,751 |
| Permanently restricted | 30,296 | 2,118 | - | - | 32,414 |
| Total net assets | 409,761 | 22,929 | 3,375 | - | 436,065 |
| Commitments and contingencies | | | | | |
| Total liabilities and net assets | \$ 1,472,240 | \$ 24,465 | \$ 4,117 | \$ (247) | \$ 1,500,575 |

Dartmouth-Hitchcock Health and Subsidiaries
 Consolidating Balance Sheets
 June 30, 2014

(in thousands of dollars)

| | D-HH (parent) | D-H and Subsidiaries | NLH and Subsidiaries | Eliminations | Health System Consolidated |
|---|------------------|-------------------------|-------------------------|--------------|----------------------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | \$ 377 | \$ 46,371 | \$ 4,179 | \$ - | \$ 50,927 |
| Patient accounts receivable, net | - | 178,066 | 6,540 | - | 184,606 |
| Prepaid expenses and other current assets | 4,503 | 92,807 | 2,907 | (8,915) | 91,302 |
| Total current assets | 4,880 | 317,244 | 13,626 | (8,915) | 326,835 |
| Assets limited as to use | - | 618,393 | 10,792 | - | 629,185 |
| Other investments for restricted activities | - | 101,675 | - | - | 101,675 |
| Property, plant, and equipment, net | 534 | 445,118 | 39,101 | - | 484,753 |
| Other assets | 3,213 | 82,960 | 7,870 | (1,535) | 72,508 |
| Total assets | \$ 8,627 | \$ 1,545,390 | \$ 71,389 | \$ (10,450) | \$ 1,614,956 |
| Liabilities and Net Assets | | | | | |
| Current liabilities | | | | | |
| Current portion of long-term debt | \$ - | \$ 12,487 | \$ 794 | \$ - | \$ 13,281 |
| Current portion of liability for pension and other postretirement plan benefits | - | 5,142 | - | - | 5,142 |
| Accounts payable and accrued expenses | 9,623 | 89,408 | 2,907 | (8,915) | 93,023 |
| Accrued compensation and related benefits | - | 76,407 | 2,168 | - | 78,575 |
| Estimated third-party settlements | - | 25,103 | 5,574 | - | 30,677 |
| Total current liabilities | 9,623 | 208,547 | 11,443 | (8,915) | 220,698 |
| Long-term debt, excluding current portion | - | 532,336 | 18,367 | - | 550,703 |
| Insurance deposits and related liabilities | - | 68,498 | - | - | 68,498 |
| Interest rate swaps | - | 21,103 | 3,310 | - | 24,413 |
| Liability for pension and other postretirement plan benefits, excluding current portion | - | 139,056 | - | - | 139,056 |
| Other liabilities | - | 46,568 | 1,412 | - | 47,980 |
| Total liabilities | 9,623 | 1,016,108 | 34,532 | (8,915) | 1,051,348 |
| Net assets | | | | | |
| Unrestricted | (996) | 432,909 | 32,297 | (1,535) | 462,675 |
| Temporarily restricted | - | 64,346 | 318 | - | 64,664 |
| Permanently restricted | - | 32,027 | 4,242 | - | 36,269 |
| Total net assets | (996) | 529,282 | 36,857 | (1,535) | 563,608 |
| Commitments and contingencies | | | | | |
| Total liabilities and net assets | \$ 8,627 | \$ 1,545,390 | \$ 71,389 | \$ (10,450) | \$ 1,614,956 |

Dartmouth-Hitchcock and Subsidiaries
 Consolidating Balance Sheets
 June 30, 2014

| | D-H Obligated Group | | THF | DHMC | Eliminations | D-H and Subsidiaries |
|---|---------------------------|-----------|----------|----------|--------------|-------------------------|
| <i>(in thousands of dollars)</i> | | | | | | |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | \$ 45,438 | \$ 213 | \$ 720 | \$ - | \$ - | \$ 46,371 |
| Patient accounts receivable, net | 178,066 | - | - | - | - | 178,066 |
| Prepaid expenses and other current assets | 92,372 | 171 | 486 | (232) | (232) | 92,807 |
| Total current assets | 315,876 | 384 | 1,216 | (232) | (232) | 317,244 |
| Assets limited as to use | 618,393 | - | - | - | - | 618,393 |
| Other investments for restricted activities | 77,622 | 24,053 | - | - | - | 101,675 |
| Property, plant, and equipment, net | 442,441 | 2 | 2,675 | - | - | 445,118 |
| Other assets | 62,791 | 10 | 159 | - | - | 62,960 |
| Total assets | \$ 1,517,123 | \$ 24,449 | \$ 4,050 | \$ (232) | \$ (232) | \$ 1,545,390 |
| Liabilities and Net Assets | | | | | | |
| Current liabilities | | | | | | |
| Current portion of long-term debt | \$ 12,487 | \$ - | \$ - | \$ - | \$ - | \$ 12,487 |
| Current portion of liability for pension and other postretirement plan benefits | 5,142 | - | - | - | - | 5,142 |
| Accounts payable and accrued expenses | 87,663 | 1,304 | 673 | (232) | (232) | 89,408 |
| Accrued compensation and related benefits | 76,407 | - | - | - | - | 76,407 |
| Estimated third-party settlements | 25,103 | - | - | - | - | 25,103 |
| Total current liabilities | 206,802 | 1,304 | 673 | (232) | (232) | 208,547 |
| Long-term debt, excluding current portion | 532,336 | - | - | - | - | 532,336 |
| Insurance deposits and related liabilities | 68,498 | - | - | - | - | 68,498 |
| Interest rate swaps | 21,103 | - | - | - | - | 21,103 |
| Liability for pension and other postretirement plan benefits, excluding current portion | 139,056 | - | - | - | - | 139,056 |
| Other liabilities | 46,568 | - | - | - | - | 46,568 |
| Total liabilities | 1,014,363 | 1,304 | 673 | (232) | (232) | 1,016,108 |
| Net assets | | | | | | |
| Unrestricted | 415,333 | 14,358 | 3,218 | - | - | 432,909 |
| Temporarily restricted | 57,518 | 6,669 | 159 | - | - | 64,346 |
| Permanently restricted | 29,909 | 2,118 | - | - | - | 32,027 |
| Total net assets | 502,760 | 23,145 | 3,377 | - | - | 529,282 |
| Commitments and contingencies | | | | | | |
| Total liabilities and net assets | \$ 1,517,123 | \$ 24,449 | \$ 4,050 | \$ (232) | \$ (232) | \$ 1,545,390 |

Dartmouth-Hitchcock Health and Subsidiaries
 Consolidating Statements of Operations and Changes in Unrestricted Net Assets
 Year Ended June 30, 2015

| (in thousands of dollars) | D-HH (parent) | D-H and Subsidiaries | NLH and Subsidiaries | Cheshire and Subsidiaries | MAHHC and Subsidiaries | Eliminations | Health System Consolidated |
|--|---------------|----------------------|----------------------|---------------------------|------------------------|--------------|----------------------------|
| Unrestricted revenue and other support | \$ - | \$ 1,225,872 | \$ 56,356 | \$ 52,536 | \$ 46,102 | \$ (307) | \$ 1,380,559 |
| Net patient service revenue | - | 82,091 | - | - | - | (1,256) | 80,835 |
| Contracted revenue | 12,203 | 69,663 | 3,063 | 1,076 | 3,526 | (6,538) | 82,993 |
| Other operating revenue | - | 15,314 | 111 | 212 | - | - | 15,637 |
| Net assets released from restrictions | - | - | - | - | - | - | - |
| Total unrestricted revenue and other support | 12,203 | 1,392,940 | 59,530 | 53,824 | 49,628 | (8,101) | 1,560,024 |
| Operating expenses | | | | | | | |
| Salaries | 960 | 694,373 | 27,562 | 20,949 | 24,076 | 8,482 | 776,402 |
| Employee benefits | 263 | 194,619 | 5,764 | 5,724 | 6,112 | 1,493 | 213,975 |
| Medical supplies and medications | 139 | 201,451 | 5,910 | 8,712 | 3,736 | 19 | 219,967 |
| Purchased services and other | 17,448 | 168,029 | 13,206 | 13,535 | 11,888 | (18,402) | 205,704 |
| Medicaid enhancement tax | - | 45,839 | 1,941 | 2,363 | 1,853 | - | 51,996 |
| Depreciation and amortization | 75 | 56,649 | 4,075 | 3,436 | 2,978 | - | 67,213 |
| Interest | - | 16,781 | 849 | 357 | 455 | - | 18,442 |
| Expenditures relating to net assets released from restrictions | - | 15,314 | 111 | 212 | - | - | 15,637 |
| Total operating expenses | 18,885 | 1,393,055 | 59,418 | 55,288 | 51,098 | (8,408) | 1,569,336 |
| Operating margin (loss) | (6,682) | (115) | 112 | (1,464) | (1,470) | 307 | (9,312) |
| Nonoperating gains (losses) | - | (12,011) | 625 | 311 | 60 | - | (11,015) |
| Investment (losses) gains | 339 | (2,880) | 1,409 | 141 | 57 | (307) | (1,241) |
| Other, net | 92,499 | - | - | - | - | - | 92,499 |
| Contribution revenue from acquisition | - | - | - | - | - | - | - |
| Total nonoperating (losses) gains, net | 92,838 | (14,891) | 2,034 | 452 | 117 | (307) | 80,243 |
| (Deficiency) excess of revenue over expenses | 86,156 | (15,006) | 2,146 | (1,012) | (1,353) | - | 70,931 |
| Unrestricted net assets | - | 717 | 5 | 1,010 | 679 | - | 2,411 |
| Net assets released from restrictions (Note 8) | - | - | - | - | - | - | - |
| Change in funded status of pension and other postretirement benefits | - | (62,977) | - | 2,875 | (790) | - | (60,892) |
| Net assets transferred (from) to affiliates | (84,626) | (7,873) | - | 76,827 | 15,672 | - | - |
| Additional paid in capital | 600 | - | - | - | - | (600) | - |
| Change in fair value on interest rate swaps | - | (869) | (221) | - | 159 | - | (931) |
| (Decrease) increase in unrestricted net assets | \$ 2,130 | \$ (86,008) | \$ 1,930 | \$ 79,700 | \$ 14,367 | \$ (600) | \$ 11,519 |

Dartmouth-Hitchcock and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2015

| <i>(in thousands of dollars)</i> | D-H Obligated Group | THF | DHMC | Eliminations | D-H and Subsidiaries |
|---|---------------------------|---------------|---------------|----------------|-------------------------|
| Unrestricted revenue and other support | | | | | |
| Net patient service revenue | \$ 1,225,874 | \$ - | \$ - | \$ (2) | \$ 1,225,872 |
| Contracted revenue | 81,474 | 847 | - | (230) | 82,091 |
| Other operating revenue | 64,928 | 2,358 | 6,482 | (4,103) | 69,663 |
| Net assets released from restrictions | 14,610 | 704 | - | - | 15,314 |
| Total unrestricted revenue and other support | 1,386,886 | 3,907 | 6,482 | (4,335) | 1,392,940 |
| Operating expenses | | | | | |
| Salaries | 693,407 | - | - | 966 | 694,373 |
| Employee benefits | 194,487 | - | - | 152 | 194,619 |
| Medical supplies and medications | 201,458 | - | - | (7) | 201,451 |
| Purchased services and other | 160,088 | 3,375 | 6,484 | (1,918) | 168,029 |
| Medicaid enhancement tax | 45,839 | - | - | - | 45,839 |
| Depreciation and amortization | 56,849 | - | - | - | 56,849 |
| Interest | 16,781 | - | - | - | 16,781 |
| Expenditures relating to net assets released from restrictions | 14,810 | 704 | - | - | 15,314 |
| Total operating expenses | 1,383,299 | 4,079 | 6,484 | (807) | 1,393,055 |
| Operating margin (loss) | 3,587 | (172) | (2) | (3,528) | (115) |
| Nonoperating gains (losses) | | | | | |
| Investment (losses) gains | (12,079) | 68 | - | - | (12,011) |
| Other, net | (6,408) | - | - | 3,528 | (2,880) |
| Total nonoperating (losses) gains, net | (18,487) | 68 | - | 3,528 | (14,891) |
| (Deficiency) excess of revenue over expenses | (14,900) | (104) | (2) | - | (15,006) |
| Unrestricted net assets | | | | | |
| Net assets released from restrictions (Note 8) | 454 | 263 | - | - | 717 |
| Change in funded status of pension and other retirement benefits | (62,977) | - | - | - | (62,977) |
| Net assets transferred (from) to affiliates | (7,873) | - | - | - | (7,873) |
| Change in fair value on interest rate swaps | (889) | - | - | - | (889) |
| (Decrease) increase in unrestricted net assets | \$ (86,165) | \$ 159 | \$ (2) | \$ - | \$ (86,008) |

Dartmouth-Hitchcock Health and Subsidiaries
 Consolidating Statements of Operations and Changes in Unrestricted Net Assets
 Year Ended June 30, 2014

| <i>(In thousands of dollars)</i> | D-HH (parent) | D-H and Subsidiaries | NLH and Subsidiaries | Eliminations | Health System Consolidated |
|--|------------------|-------------------------|-------------------------|-------------------|----------------------------------|
| Unrestricted revenue and other support | | | | | |
| Net patient service revenue | \$ - | \$ 1,190,366 | \$ 39,482 | \$ - | \$ 1,229,848 |
| Contracted revenue | 1,004 | 91,386 | - | - | 92,390 |
| Other operating revenue | 2,435 | 62,399 | 2,161 | (2,191) | 64,804 |
| Net assets released from restrictions | - | 11,576 | 94 | - | 11,670 |
| Total unrestricted revenue and other support | <u>3,439</u> | <u>1,355,727</u> | <u>41,737</u> | <u>(2,191)</u> | <u>1,398,712</u> |
| Operating expenses | | | | | |
| Salaries | 1,071 | 651,038 | 21,070 | 2,537 | 675,716 |
| Employee benefits | 311 | 203,388 | 4,783 | 570 | 209,052 |
| Medical supplies and medications | - | 188,885 | 7,512 | - | 196,397 |
| Purchased services and other | 7,702 | 162,069 | 5,897 | (5,712) | 169,956 |
| Medicaid enhancement tax | - | 32,636 | 1,852 | - | 34,488 |
| Depreciation and amortization | 103 | 54,915 | 2,711 | - | 57,729 |
| Interest | - | 17,777 | 659 | - | 18,436 |
| Expenditures relating to net assets released from restrictions | - | 11,576 | 94 | - | 11,670 |
| Total operating expenses | <u>9,187</u> | <u>1,322,284</u> | <u>44,578</u> | <u>(2,605)</u> | <u>1,373,444</u> |
| Operating margin | <u>(5,748)</u> | <u>33,443</u> | <u>(2,841)</u> | <u>414</u> | <u>25,268</u> |
| Nonoperating gains (losses) | | | | | |
| Investment gains | (267) | 55,927 | 1,144 | - | 56,804 |
| Other, net | 333 | (4,679) | 287 | (414) | (4,473) |
| Contribution revenue from acquisition | 33,692 | - | - | - | 33,692 |
| Total nonoperating gains, net | <u>33,758</u> | <u>51,248</u> | <u>1,431</u> | <u>(414)</u> | <u>86,023</u> |
| Excess (deficiency) of revenue over expenses | <u>28,010</u> | <u>84,691</u> | <u>(1,410)</u> | <u>-</u> | <u>111,291</u> |
| Unrestricted net assets | | | | | |
| Net assets released from restrictions (Note 8) | - | 748 | 15 | - | 763 |
| Change in funded status of pension and other postretirement benefits | - | 19,669 | - | - | 19,669 |
| Net assets transferred to affiliate | (29,257) | (4,435) | 33,692 | - | - |
| Additional paid in capital | 1,348 | - | - | (1,348) | - |
| Change in fair value on interest rate swaps | - | 1,538 | - | - | 1,538 |
| Increase (decrease) in unrestricted net assets | <u>\$ 101</u> | <u>\$ 102,211</u> | <u>\$ 32,297</u> | <u>\$ (1,348)</u> | <u>\$ 133,261</u> |

Dartmouth-Hitchcock and Subsidiaries
 Consolidating Statements of Operations and Changes in Unrestricted Net Assets
 Year Ended June 30, 2014

| (in thousands of dollars) | D-H Obligated Group | THF | DHMC | Eliminations | D-H and Subsidiaries |
|--|---------------------------|-----------------|----------------|----------------|-------------------------|
| Unrestricted revenue and other support | | | | | |
| Net patient service revenue | \$ 1,190,366 | \$ - | \$ - | \$ - | \$ 1,190,366 |
| Contracted revenue | 91,034 | 710 | - | (358) | 91,386 |
| Other operating revenue | 57,306 | 1,704 | 6,933 | (3,544) | 62,399 |
| Net assets released from restrictions | 10,274 | 1,302 | - | - | 11,576 |
| Total unrestricted revenue and other support | <u>1,348,980</u> | <u>3,716</u> | <u>6,933</u> | <u>(3,902)</u> | <u>1,355,727</u> |
| Operating expenses | | | | | |
| Salaries | 649,981 | - | - | 1,057 | 651,038 |
| Employee benefits | 203,259 | - | - | 129 | 203,388 |
| Medical supplies and medications | 188,905 | - | - | (20) | 188,885 |
| Purchased services and other | 154,908 | 2,816 | 6,934 | (2,589) | 162,069 |
| Medical enhancement tax | 32,636 | - | - | - | 32,636 |
| Depreciation and amortization | 54,894 | - | 21 | - | 54,915 |
| Interest | 17,777 | - | - | - | 17,777 |
| Expenditures relating to net assets released from restrictions | 10,274 | 1,302 | - | - | 11,576 |
| Total operating expenses | <u>1,312,634</u> | <u>4,118</u> | <u>6,955</u> | <u>(1,423)</u> | <u>1,322,284</u> |
| Operating margin | <u>36,346</u> | <u>(402)</u> | <u>(22)</u> | <u>(2,479)</u> | <u>33,443</u> |
| Nonoperating gains (losses) | | | | | |
| Investment gains | 53,398 | 2,529 | - | - | 55,927 |
| Other, net | (7,158) | - | - | 2,479 | (4,679) |
| Total nonoperating gains, net | <u>46,240</u> | <u>2,529</u> | <u>-</u> | <u>2,479</u> | <u>51,248</u> |
| Excess (deficiency) of revenue over expenses | <u>82,586</u> | <u>2,127</u> | <u>(22)</u> | <u>-</u> | <u>84,691</u> |
| Unrestricted net assets | | | | | |
| Net assets released from restrictions (Note 8) | 485 | 263 | - | - | 748 |
| Change in funded status of pension and other postretirement benefits | 19,669 | - | - | - | 19,669 |
| Net assets transferred to affiliate | (4,435) | - | - | - | (4,435) |
| Change in fair value on interest rate swaps | 1,538 | - | - | - | 1,538 |
| Increase (decrease) in unrestricted net assets | <u>\$ 99,843</u> | <u>\$ 2,390</u> | <u>\$ (22)</u> | <u>\$ -</u> | <u>\$ 102,211</u> |

DARTMOUTH-HITCHCOCK (D-H)
DARTMOUTH-HITCHCOCK HEALTH (D-HH)

BOARDS OF TRUSTEES AND OFFICERS

(19 Total Trustees)

Effective: January 1, 2016

| | |
|---|---|
| <p>Troyen A. Brennan, MD, MPH (Wendy Warring) MHHM/DHC/D-HH Trustee <i>Executive Vice President and Chief Medical Officer of CVS Health</i></p> | <p>MHHM/DHC: Elected on 3/20/2015. Term began 4/1/2015. Full term expires 12/31/2023.</p> <p>D-HH: Elected on 3/20/2015 as a DHC rep.</p> |
| <p>R. William Burgess, Jr. (Barbara) MHHM/DHC/D-HH Trustee <i>Managing Partner, ABS Ventures</i></p> | <p>MHHM/DHC: Elected on 12/5/2014. Term began 1/1/2015. Full term expires 12/31/2023.</p> <p>D-HH: Elected on 9/19/2014 to complete Bill Helman's term as DC rep through 12/31/2014 and to begin his own 4 yr term on 1/1/2015 (ending 12/31/2018).</p> |
| <p>Jeffrey A. Cohen, MD (Renee Vebell) MHHM/DHC Trustee <i>Chair, Dept. of Neurology</i></p> | <p>MHHM/DHC: Elected on 12/4/2015. Term began 1/1/2016. Full term expires 12/31/2018.</p> |
| <p>Duane A. Compton, PhD MHHM/DHC/D-HH Trustee <i>Ex-Officio: Interim Dean, Geisel School of Medicine at Dartmouth</i></p> | <p>MHHM/DHC/D-HH: Ex-officio (effective 7/15/2014).</p> |

| | |
|---|---|
| <p>William J. Conaty (Sue) MHHM/DHC/D-HH Trustee <i>President, Conaty Consulting, LLC</i></p> | <p>MHHM/DHC: Term began 6/1/2011. Full term expires 5/31/2020.</p> <p>D-HH: Elect DHC rep. trustee (on 12/9/11) effective 1/1/2012.</p> |
| <p>Vincent S. Conti (Meredith) MHHM/DHC/D-HH Trustee <i>Retired President & CEO, Maine Medical Center</i></p> | <p>MHHM/DHC: President appointed to MHHM Aug-Dec 2008. Nominated to both MHHM/DHC on 8/13/09 for a term to start 1/1/2010. Full term expires 12/31/2018.</p> <p>D-HH: Elect 12/2/09 as an MHHM rep.</p> |
| <p>Denis A. Cortese, MD (Donna) MHHM/DHC/D-HH Trustee <i>Foundation Professor at Arizona State University (ASU) and Director of ASU's Healthcare Delivery and Policy Program</i></p> | <p>MHHM: President appointed to MHHM effective 9/1/2012 (approved by the BoT 6/15/12). Nominated to both MHHM/DHC on 12/7/12 for a term to start 1/1/2013. Full term expires 12/31/2021.</p> <p>D-HH: Elect on 3/15/13 as an MHHM rep.</p> |
| <p>Barbara J. Couch (Richard) MHHM/DHC/D-HH Boards' Secretary <i>President of Hypertherm's HOPE Foundation (includes leadership of all of Hypertherm's philanthropic and volunteer initiatives)</i></p> | <p>MHHM/DHC: Nominated on 3/25/09; completed D. Weaver's term through 12/31/09. Full term began 1/1/2010. Full term expires 12/31/2018.</p> <p>D-HH: Elect DHC rep.</p> |

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| <p>Paul P. Danos, PhD (Mary Ellen) MHHM/DHC/D-HH Trustee <i>Dean Emeritus; Laurence F. Whittemore Professor of Business Administration, Tuck School of Business at Dartmouth</i></p> | <p>MHHM/DHC: Elected 2/5/2014 for a term beginning immediately. Term expires 12/31/2016. Full term expires 5/31/2022.</p> <p>D-HH: Elected DHC rep. trustee (on 2/5/2014) effective immediately.</p> |
| <p>Senator Judd A. Gregg (Kathleen) MHHM/DHC Trustee <i>Senior Advisor to SIFMA</i></p> | <p>MHHM/DHC: Term began 1/1/2013. Full term expires 12/31/2021.</p> |
| <p>M. Brooke Herndon, MD (Eric Miller) MHHM/DHC (Lebanon Physician) Trustee <i>Staff Physician, Primary Care, DHMC (Heater Road)</i></p> | <p>D-H: Elected on 3/20/2015 for a 3 year term that began 1/1/2015 and end 12/31/ 2017.</p> |
| <p>Barbara C. Jobst, MD (Markus) MHHM/DHC (Lebanon Physician) Trustee <i>Section Chief of Adult Neurology at DHMC and Director of the Dartmouth-Hitchcock Epilepsy Center</i></p> | <p>D-H: Elected on 12/6/2013 for a 3 year term to begin 1/1/2014 and end 12/31/ 2016.</p> |
| <p>Laura K. Landy (Robert Corman) MHHM/DHC/D-HH Trustee <i>President and CEO of the Fannie E. Rippel Foundation</i></p> | <p>MHHM: President appointed to MHHM effective 9/1/2012 (approved by the BoT 6/15/12). Nominated to both MHHM/DHC on 12/7/12 for a term to start 1/1/2013. Full term expires 12/31/2021.</p> <p>D-HH: Elected on 3/15/13 as an MHHM rep.</p> |

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|---|--|
| <p>Robert A. Oden, Jr., PhD (Teresa) MHHM/DHC/D-HH Boards' Vice Chair <i>Retired President, Carleton College</i></p> | <p>MHHM/DHC: President appointee to MHHM (1/27/11 - 12/31/11). Elected to MHHM/DHC Boards on 12/9/11 for a term 1/1/2012 - 12/31/2014. Full term expires 12/31/2020. Became Board Chair 1/1/2013. Term expired 12/31/15. Vice-Chair: 1/1/16</p> <p>D-HH: Elected DHC rep. trustee (on 12/9/11) effective 1/1/2012.</p> |
| <p>Charles G. Plimpton (Barbara Nyholm) MHHM/DHC/D-HH Boards' Treasurer <i>Retired Investment Banker</i></p> | <p>MHHM/DHC: Elected on 3/20/2015. Term began 4/1/2015. Full term expires 12/31/2023. Board Treasurer: 1/1/16</p> <p>D-HH: Elected on 3/20/2015 as an MHHM rep.</p> |
| <p>Timothy D. Scherer, MD MHHM/DHC Trustee <i>Associate Medical Director of Specialty Services, D-H Nashua</i></p> | <p>MHHM/DHC: Elected on 12/4/2015. Term began 1/1/2016. Full term expires 12/31/2018.</p> |
| <p>Brian C. Spence, MD, MHCDS (Kirsten Glass, VMD) MHHM/DHC Trustee <i>Associate Professor of Anesthesiology</i></p> | <p>MHHM/DHC: Elected on 12/4/2015. Term began 1/1/2016. Full term expires 12/31/2018.</p> |

| | |
|--|---|
| <p>Anne-Lee Verville MHHM/DHC/D-HH Boards' Chair Retired senior executive, IBM</p> | <p>MHHM/DHC: Completed Fuehrer's term through 12/31/08. Nominated on 12/17/08. Term began 1/1/2009. Full term expires 12/31/2017.</p> <p>D-HH: Elected 9/3/10 as an MHHM rep. trustee. Re-elected on 12/6/2013 as a DHC rep for a term to end on 12/31/2015. Re-elected as MHHM rep on 12/4/15.</p> <p>Vice-Chair effective 10/1/2014. Board Chair eff: 1/1/16</p> |
| <p>James N. Weinstein, DO, MS (Mimi) MHHM/DHC/D-HH Trustee Ex-officio: CEO, Dartmouth-Hitchcock; President, D-HH</p> | <p>MHHM/DHC/D-HH: Ex-officio as DHC President effective 1/14/2010. Ex-officio as CEO of D-H began 11/1/2011. Voted by the D-HH Board as President on 9/1/2012 or upon vacancy. Became President on 11/14/2011 when Dr. Colacchio resigned.</p> |

Member of D-HH, not a member of D-H:

| | |
|--|--|
| <p>Steven "Steve" A. Paris, MD (Susan) D-HH Trustee</p> | <p>D-HH: elected to the Board on 6/28/13 for a term to begin immediately and end on 12/31/2015. Elected on 12/4/2015 for a term effective as of 1/1/2016 as a Physician Rep.</p> <p>(NOTE: Term expired on D-H Board 12/31/2015)</p> |
|--|--|

Administrative Support:

Kimberley A. Gibbs (603/650-8779)
Director, Governance & Leadership
One Medical Center Drive, Lebanon, NH 03756
kimberley.a.gibbs@hitchcock.org
Fax: 603/650-7440

Claire M. Lillie (603/650-5244)
Exec. Coordinator for Governance & Leadership
claire.m.lillie@hitchcock.org

4.2.2

Edward Jonathan Merrens, MD, MS
Curriculum Vitae – April 2014

ADDRESSES:

Office:
Dartmouth-Hitchcock Medical Center
One Medical Center Drive
Lebanon, New Hampshire 03756 USA
edward.j.merrens@hitchcock.org

Home:
Post Office Box 1217
96 Meetinghouse Road
Norwich, Vermont 05055 USA

EDUCATION:

| DATE | DEGREE | INSTITUTION |
|------|---|---|
| 2013 | Masters in Healthcare Delivery Science (MS) | Tuck School of Business and the Geisel School of Medicine, Dartmouth College, Hanover, NH |
| 1994 | Medical Doctor (MD) | Dartmouth Medical School, Hanover, NH (Geisel School of Medicine at Dartmouth) |
| 1988 | Bachelor of Arts (BA) | Dartmouth College, Hanover, NH |

POSTDOCTORAL TRAINING:

| DATE | SPECIALTY | INSTITUTION |
|-------------|-----------------------------------|---------------------------------------|
| 1997 - 1998 | Internal Medicine, Chief Resident | University of Washington, Seattle, WA |
| 1995 - 1997 | Internal Medicine Residency | University of Washington, Seattle, WA |
| 1994 - 1995 | Internal Medicine Internship | University of Washington, Seattle, WA |

LICENSURE AND CERTIFICATION:

| DATE | LICENSURE | CERTIFICATION |
|-------------|--------------------------------------|------------------------|
| 1994 - 1998 | Washington State Medical License | not renewed |
| 1997 - 2017 | American Board of Internal Medicine | Diplomate - No. 176490 |
| 1998 | New Hampshire Medical License | No. 10335 |
| 2013 - 2015 | Basic Life Support (CPR/AED) | |
| 2009 | Advanced Cardiac Life Support (ACLS) | |

ACADEMIC APPOINTMENTS:

| DATE | ACADEMIC TITLE | INSTITUTION |
|------|------------------------|---|
| 1999 | Assistant Professor | Geisel School of Medicine at Dartmouth, Hanover, NH |
| 1998 | Instructor in Medicine | Dartmouth Medical School, Hanover, NH |
| 1997 | Acting Instructor | University of Washington Department of Medicine |

HOSPITAL APPOINTMENTS:

| DATE | TITLE | INSTITUTION |
|----------------|--|---|
| 1998 - 2002 | Director, Consult Service | General Internal Medicine, DHMC |
| 2000 - 2010 | Medical Director, Inpatient Medicine 1E/3E | Dartmouth-Hitchcock Medical Center (DHMC) |
| 2001 - 2002 | Associate Section Chief | General Internal Medicine, DHMC |
| 2002 - 2004 | Director, Inpatient Affairs | General Internal Medicine, DHMC |
| 2005 - 2010 | Associate Program Director | Department of Medicine, DHMC |
| 2005 - 2012 | Section Chief, Hospital Medicine | Department of Medicine, DHMC |
| 2010 - 2012 | Medical Director, Inpatient Services | Dartmouth-Hitchcock Medical Center (DHMC) |
| 2012 - Present | Chief Medical Officer | Dartmouth-Hitchcock Medical Center (DHMC) |

OTHER PROFESSIONAL POSITIONS:

| DATE | POSITION/TITLE | INSTITUTION/ORGANIZATION |
|----------------|----------------------------------|---|
| 1998 - Present | Team Physician, Medical Director | United States Biathlon Association (USBA) |
| 1998 - Present | Team Physician | United States Olympic Committee (USOC) |

MAJOR COMMITTEE ASSIGNMENTS AND CONSULTATIONS:

National/International:

| YEAR | COMMITTEE | ROLE | INSTITUTION |
|------|-----------|------|-------------|
|------|-----------|------|-------------|

| | | | |
|------|---------------------------------|----|--|
| 2001 | United States Olympic Committee | MD | 21 st World University Games - Beijing, China |
| 2002 | United States Olympic Committee | MD | 2002 Olympic Winter Games - Salt Lake City, USA |
| 2006 | United States Olympic Committee | MD | 2006 Olympic Winter Games - Torino, Italy |
| 2010 | United States Olympic Committee | MD | 2010 Olympic Winter Games - Vancouver, Canada |
| 2012 | Biathlon World Championships | MD | Ruhpolding, Germany |
| 2014 | United States Olympic Committee | MD | 2014 Olympic Winter Games – Sochi, Russia |

Regional:

| YEAR | COMMITTEE | ROLE | INSTITUTION |
|-------------|-----------------------------|--------|------------------------------------|
| 2012 - 2013 | Vermont Hospitalist Leaders | Member | Dartmouth-Hitchcock Medical Center |

Institutional:

| YEAR | COMMITTEE | ROLE | INSTITUTION |
|----------------|---|-------------|------------------------------------|
| 1998 – 2002 | Internship Advisory | Chair | Dartmouth Medical School |
| 1999 | Section of Nephrology, Search | Member | Dartmouth-Hitchcock Medical Center |
| 1999 | Section of Dermatology Search | Member | Dartmouth-Hitchcock Medical Center |
| 1999 – 2002 | Continuing Medical Education | Member | Dartmouth-Hitchcock Medical Center |
| 2000 – 2002 | Restraints | Co-Chair | Dartmouth-Hitchcock Medical Center |
| 2000 – 2011 | House staff Quality Assurance | Member | Dartmouth-Hitchcock Medical Center |
| 2001 | Section of Emergency Medicine Search | Member | Dartmouth-Hitchcock Medical Center |
| 2001- 2006 | Dept of Medicine Education | Member | Dartmouth-Hitchcock Medical Center |
| 2001- 2002 | Point of Care Testing | Member | Dartmouth-Hitchcock Medical Center |
| 2002 - 2003 | General Internal Medicine Search | Member | Dartmouth-Hitchcock Medical Center |
| 2002 - 2008 | Inpatient Capacity and Flow | Member | Dartmouth-Hitchcock Medical Center |
| 2003 – Present | Compensation | Member | Dartmouth-Hitchcock Medical Center |
| 2003 – 2005 | Ad hoc Committee on Compensation | Member | Dartmouth-Hitchcock Medical Center |
| 2004 – 2008 | Computer Information System Steering | Member | Dartmouth-Hitchcock Medical Center |
| 2005 – 2010 | Medication Reconciliation | Member | Dartmouth-Hitchcock Medical Center |
| 2006 – 2012 | DHMC Board of Governors | Member | Dartmouth-Hitchcock Medical Center |
| 2007 | DHMC Anticoagulation Task Force | Member | Dartmouth-Hitchcock Medical Center |
| 2008 | Dept. of Orthopedics Vice-Chair Search | Member | Dartmouth-Hitchcock Medical Center |
| 2008 | Section of Pulmonary Medicine, Search | Member | Dartmouth-Hitchcock Medical Center |
| 2008 – 2010 | Clinical Practice | Member | Dartmouth-Hitchcock Medical Center |
| 2008 – 2010 | Community Acquired Pneumonia | Chair | Dartmouth-Hitchcock Medical Center |
| 2008 – 2012 | Board of Trustees | Member | Dartmouth-Hitchcock Medical Center |
| 2008 – 2012 | Assembly of Overseers | Member | Dartmouth-Hitchcock Medical Center |
| 2008 – 2012 | Board of Trustees - Finance | Member | Dartmouth-Hitchcock |
| 2008 – 2012 | Board of Trustees - Quality Credentials | Member | Dartmouth-Hitchcock |
| 2009 | Board of Trustees - Ad Hoc | Member | Dartmouth-Hitchcock Health (DHH) |
| 2010 | Dept of Orthopedics, Residency Review | Chair | Dartmouth-Hitchcock Medical Center |
| 2010 | Section of Dermatology, Internal Review | Member | Dartmouth-Hitchcock Medical Center |
| 2010 - Present | Quality and Value Committee | Member | Dartmouth-Hitchcock Medical Center |
| 2010 – Present | Ambulatory, Perioperative and Inpatient | Member | Dartmouth-Hitchcock Medical Center |
| 2010 – Present | Access, Capacity and Throughput | Member | Dartmouth-Hitchcock Medical Center |
| 2012 – Present | Critical Care Redesign | Facilitator | Dartmouth-Hitchcock Medical Center |
| 2011 – Present | Inpatient Hospice Care | Member | Dartmouth-Hitchcock Medical Center |
| 2011 – 2013 | Wound Care Program | Leader | Dartmouth-Hitchcock Medical Center |
| 2012 – Present | Readmissions Reduction HEN | Member | Dartmouth-Hitchcock Medical Center |
| 2013 – Present | One-DH Credentialing Project | Leader | Dartmouth-Hitchcock Medical Center |
| 2013 – Present | Section of Hospital Medicine, Search | Member | Dartmouth-Hitchcock Medical Center |
| 2013 – Present | Section of Palliative Med, Search | Member | Dartmouth-Hitchcock Medical Center |
| 2013 – Present | Compensation Redesign Committee | Leader | Dartmouth-Hitchcock Medical Center |
| 2013 – Present | Board of Trustees - Finance | Member | Dartmouth-Hitchcock |
| 2014 – Present | Bylaws Redesign | Leader | Dartmouth-Hitchcock Medical Center |
| 2014 – Present | Institutional Ethics Committee | Member | Dartmouth-Hitchcock Medical Center |
| 2014 – Present | Enhancement Advisory Group for GME | Member | Dartmouth-Hitchcock Medical Center |

MEMBERSHIP, OFFICE & COMMITTEE ASSIGNMENTS IN PROFESSIONAL SOCIETIES:

| DATE | SOCIETY | ROLE |
|----------------|--------------------------------------|-----------------------------------|
| 1995 – Present | American College of Physicians | Member |
| 1998 – Present | New Hampshire Medical Society | Member |
| 1998 – Present | Grafton County Medical Society | Member |
| 1999 – Present | Society of General Internal Medicine | Member |
| 1999 – Present | American College of Sports Medicine | Member |
| 2000 – Present | United States Olympic Committee | Sports Medicine Society Member |
| 2001 – 2009 | Society of Hospital Medicine (SHM) | Member |
| 2007 – 2008 | Society of Hospital Medicine (SHM) | Academic Task Force |
| 2010 - Present | Society of Hospital Medicine (SHM) | Fellow in Hospital Medicine (FHM) |

EDITORIAL BOARDS:

| DATE | ROLE | BOARD NAME |
|----------------|------------------|--|
| 1991-1994 | Editorial Board | Dartmouth Medicine Magazine |
| 1999 – 2002 | Reviewer | Journal of General Internal Medicine (JGIM) |
| 1998 | Reviewer | British Medical Journal, Reviewer for Clinical Evidence |
| 2000 – Present | Associate Editor | Annals of Internal Medicine |
| 2007 | Reviewer | Oxford Press – Handbook Clinical Medicine/Acute Medicine |

AWARDS AND HONORS:

| DATE | AWARD |
|-------------|---|
| 1994 | Upjohn Achievement Award, Dartmouth Medical School |
| 1994 - 1995 | Intern of the Year – University of Washington Department of Medicine |
| 1995 – 1996 | Award for Excellence in Internal Medicine – University of Washington Department of Medicine |
| 1996 – 1997 | Outstanding Resident of the Year - University of Washington Department of Medicine |
| 2008 | Arnold P. Gold Humanism in Medicine Honor Society Award, Dartmouth Medical School |
| 2005 - 2012 | Department of Medicine Excellence in Teaching Awards |
| 2006 | Excellence in Teaching Award, Dartmouth Medical School Class of 2007 |
| 2010 | Alpha Omega Alpha (AOA) – Honor Medical Society |
| 2011- 2013 | New Hampshire Magazine's Top Doctors (Hospitalist) |

JOURNAL REFEREE ACTIVITIES:

| DATE | JOURNAL NAME |
|------|--------------|
|------|--------------|

Other Activities:

TEACHING EXPERIENCE/CURRENT TEACHING RESPONSIBILITIES:

Dartmouth Medical School:

| DATE | TEACHING |
|----------------|---|
| 1998 – Present | Inpatient Medical Service teaching with 3 rd year Medical students on Medical clerkship rotation |
| 2004 – Present | Inpatient Hospitalist Service teaching with 4 th year DMS Sub-Interns |

Dartmouth-Hitchcock Medical Center:

| | |
|----------------|---|
| 1998 – Present | Inpatient Medical Service teaching with Interns and Residents on the inpatient teaching service |
|----------------|---|

INVITED PRESENTATIONS:

Regional:

| DATE | TOPIC | ORGANIZATION | LOCATION |
|-----------|---|---|-------------|
| 4/25/2014 | Promoting Professional Accountability: Dealing with Behaviors that Undermine A Culture of Safety; Guest speaker | Vanderbilt Medical Center Center for Patient & Professional Advocacy | Hanover, NH |

| | | | |
|--------------------------------|--|---|----------------------------|
| 4/23/2014 | The Hospitalists Role in Developing a Sustainable Health System: Moving from Volume to Value Grand Rounds Speaker | Newton-Wellesley Hospital | Newton, MA |
| 4/11/2014 | Planning for Death: Ethics and Legalities Guest Speaker | Dartmouth Ilead Course | Hanover, NH |
| 4/5/2014 | The Dartmouth Symposium on Health Care Delivery Science, Panel Speaker | Dartmouth College, MHCDS The Tuck School of Business | Hanover, NH |
| 9/27/2013 | Heath Care Reform: Vermont and New Hampshire Leading the Debate | Geisel School of Medicine | Lebanon, NH |
| 7/20/2013 | Leadership Panel | MHCDS Summer Residency | Hanover, NH |
| 5/30/2013 | Accountable Care and Hospitalists | Springfield Hospital Grand Rounds | Springfield, VT |
| 10/23/2012 | Hospital Medicine, history and impact on care delivery and Accountable care | New London Hospital Grand Rounds | New London, NH |
| 10/10/2012 | Emergency Medicine, Accountable Care and the regional role of DH | DHMC Emergency Medicine Resident Conference | DHMC, Lebanon, NH |
| 6/12/2012 | Hospital Medicine - Opportunities and Challenges in Healthcare Delivery | Valley Regional Hospital Grand Rounds | Claremont, NH |
| 1/19/2012 | Doctors, Sections, Boards and Everything in Between | Volunteer Auxiliary Board | DHMC, Lebanon, NH |
| 5/13/2010 | Hepatorenal Syndrome: Understanding and Managing the Renal Dysfunction of Cirrhosis | General Internal Medicine Educational Conference | DHMC, Lebanon, NH |
| 3/14/2010 | Advanced Communication Skills for the Inpatient Physician | Dartmouth Medical School Advanced Medical Science Course | DHMC, Lebanon, NH |
| 4/22/2010 | Alumni Share Knowledge Forum "The Practice: Diverse Pathways" | Dartmouth Medical School | DHMC, Lebanon, NH |
| 2/19/2009 | The Evolution of Inpatient Care | Clinical Practice Committee | DHMC, Lebanon, NH |
| 1/31/2009 | Health and Nutrition for Nordic Ski Performance | Ford Sayre Ski Council | Hanover, NH |
| 12/8/2008 | Exercise Induced Asthma and Bronchospasm in Nordic Skiers | Noon talk | DHMC, Lebanon, NH |
| National: DATE 5/17/2013 | TOPIC Accountable Care and Hospitalist | ORGANIZATION Society for Hospital Medicine | LOCATION Washington, DC |
| 5/21/2010 | Nutrition for Performance | United States Biathlon team and Olympic officials | Lake Placid, NY |

| | | | |
|-----------------------|---|--|-------------------|
| 2009 | Altitude Training: Hypoxic Training and Athletic Performance | United States Biathlon team | Lake Placid, NY |
| 10/24/2009 | Medical care of the Biathlete | United States Biathlon team | Lake Placid, NY |
| 3/3/2009 | Medical Care of the Elite Winter Athlete | New England Medical Assn 52 nd Annual Conference | Stowe, VT |
| 2008 | Effect of an Inpatient Anticoagulation Service on Improving the Safe Use of Warfarin Sodium | Society of Hospital Medicine Annual Meeting | San Diego, CA |
| 6/14/2008 | Medical care of the Biathlete | United States Biathlon team and US Olympic Committee | Lake Placid, NY |
| International: | | | |
| DATE | TOPIC | ORGANIZATION | LOCATION |
| 11/29/2008 | Medical care of the Biathlete | IBU World Cup | Ostersund, Sweden |
| 11/29/2008 | Nutrition for Performance in Biathlon | IBU World Cup | Ostersund, Sweden |

MAJOR RESEARCH INTERESTS:

RESEARCH FUNDING: (Be sure to include dates, amounts, whether you are PI or co-PI)

Past:

1. DHMC Quality Research Grant, 2007-8 - Inpatient Anticoagulation, Principle Investigator

BIBLIOGRAPHY:

Journal Articles:

1. Zlotnick D, Merrens E, Fingar E, et al. 69-year-old male presenting with hypotension and anasarca. *Am J Hematol* 2008;83:311-314.
2. Zlotnick D, Merrens E, Fingar E, et al. Intravascular lymphoma as a recurrence of testicular Non-Hodgkin's lymphoma confirmed by polymerase chain reaction. *Am J Hematol* 2008;83:681-682.
3. Lurie JD, Merrens EM, Lee J, Splaine ME. An Approach to Hospital Quality Improvement. *Medical Clinics of North America*, 2002
4. Merrens EJ, Peart DR. Effects of Hurricane Damage on Individual Growth and Stand Structure in a Hardwood Forest in New Hampshire, USA. *Journal of Ecology* 1992;80:787-795.

Original Articles:

1. Merrens, EJ, Meeting 24/7 Demands, *Dartmouth Medicine Magazine* – Page 31, Summer 2005

Letters to the Editor:

1. Sheffield JV, Merrens EJ. More about Thrombotic Thrombocytopenic Purpura. *Letter, New Engl J Med.* 1998 Feb 19; 338(8):548

Book Chapters:

1. Merrens, EJ (Chapter on Biliary disease), Glasheen J (Editor) *Hospital Medicine Secrets*. Elsevier Publishing (2006)

Updated: 4/24/2014

MARY HITCHCOCK MEMORIAL HOSPITAL DBA DARTMOUTH HITCHCOCK

Key Personnel

| Name | Job Title | Salary | % Paid from this Contract | Amount Paid from this Contract |
|-----------------------------|-------------------------|---------------|--------------------------------------|---|
| James Weinstein, MD | Chief Executive Officer | \$1,250,000 | 0.0% | \$ 0.00 |
| Robin Kilfeather- Mackey | Chief Financial Officer | \$525,0785 | 0.0% | \$ 0.00 |
| Daniel Jantzen | Chief Operating Officer | \$525,000 | 0.0% | \$ 0.00 |
| Edward Merrens, MD | Chief Medical Officer | \$375,000 | 0.0% | \$ 0.00 |

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Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN
SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-3958 1-800-852-3345 Ext. 3958
Fax: 603-271-4934 TDD Access: 1-800-735-2964



February 10, 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 of Public Health Services, to establish a list of dentists, with the ability to expand said list to include additional interested dental contractors to provide necessary dental treatment for clients enrolled in the New Hampshire Ryan White CARE Program. No maximum client or service volume is guaranteed. Accordingly, the price limitation among all Agreements is \$100,000 each State Fiscal Year for a total of \$200,000. The Agreements are effective date of Governor and Executive Council approval through June 30, 2016. 100% other funds.

| VENDOR | LOCATION |
|--|-------------|
| Mary Hitchcock Memorial Hospital dba Dartmouth-Hitchcock Clinic | Lebanon, NH |

Funds are available in the following account for SFY 2015, and are anticipated to be available in SFY 2016 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust encumbrances between State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, PHARMACEUTICAL REBATES

| Fiscal Year | Class/Account | Class Title | Job Number | Total Amount |
|-------------|---------------|--------------|--------------|------------------|
| SFY 2015 | 530-500371 | Drug Rebates | 90024608 | \$100,000 |
| SFY 2016 | 530-500371 | Drug Rebates | 90024608 | \$100,000 |
| | | | Total | \$200,000 |

EXPLANATION

This requested action seeks approval of one (1) of seven (7) agreements that will ensure the provision of dental treatment and other oral health services to New Hampshire residents living with Human Immunodeficiency Virus (HIV), statewide that are enrolled in the New Hampshire Ryan White CARE Program. The licensed Dentists will provide dental treatment and other oral health services to enrolled clients, on an individual, case-by-case, as needed basis. The Department has previously approved two (2) agreements and anticipates that the remaining (4) four agreements will be presented at an upcoming Governor and Executive Council meeting.

The New Hampshire Ryan White CARE Program receives funding from the Health Resources and Services Administration (HRSA), Ryan White HIV/AIDS Program, Part B for medical services, oral health, and home health care services. HRSA funding is in accordance with the Ryan White HIV/AIDS Treatment Extension Act of 2009. The intent of the legislation and federal funding is to assure access to care for financially eligible individuals living with HIV/AIDS. A recipient of federal funding, the New Hampshire Ryan White CARE Program is subject to the federal mandate to implement contractual agreements with all service providers and to maintain nationally accepted fiscal, programmatic, and monitoring standards established by HRSA. Federal regulation also requires that Ryan White CARE Program funds be used as a "payer of last resort".

Should Governor and Executive Council not authorize this Request, federal regulations and monitoring standards will not be met and eligible New Hampshire residents living with HIV with immediate oral health needs and without access to care will not receive prevention and treatment for dental conditions. The services in this Contract will promote the goals of the National HIV/AIDS Strategy and maintain a continuum of care in order to reduce HIV related health disparities and the occurrence of negative health outcomes. The program currently provides services to approximately 450 to 500 clients statewide.

A Request for Applications was posted on the Department of Health and Human Services' web site on April 4, 2014 to solicit dentists to provide dental services to New Hampshire Ryan White CARE program clients. In addition, an email was sent to twelve (12) known dental providers for Ryan White Part B services on April 4, 2014, notifying them that a Request for Application was posted. Seven (7) applications were received from licensed dentists, and were approved for funding.

As referenced in the Request for Application and in exhibit C-1, Revisions to General Provisions, this Agreement has the option to extend for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
February 10, 2015
Page 3

The performance of this program will be measured by the number of New Hampshire Ryan White CARE Program clients that actually receive dental services.

The geographic area to be served is statewide.

Source of Funds: 100% Other Funds from the Pharmaceutical Rebates.

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

Respectfully submitted,



José Thier Montero, MD, MHCDS
Director



Approved by: Nicholas A. Toumpas
Commissioner

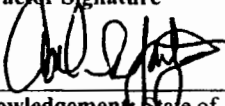
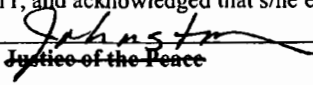

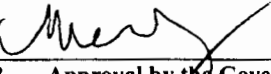
Subject: New Hampshire Ryan White CARE Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

| | | | |
|--|--|---|--|
| 1.1 State Agency Name NH Department of Health and Human Services | | 1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857 | |
| 1.3 Contractor Name Mary Hitchcock Memorial Hospital dba Dartmouth-Hitchcock | | 1.4 Contractor Address One Medical Center Drive Lebanon, NH 03756 | |
| 1.5 Contractor Phone Number 603-650-8136 | 1.6 Account Number 05-95-90-902510-2229-530-500371 | 1.7 Completion Date June 30, 2016 | 1.8 Price Limitation \$200,000 |
| 1.9 Contracting Officer for State Agency Brook Dupee, Bureau Chief | | 1.10 State Agency Telephone Number 603 271- 4483 | |
| 1.11 Contractor Signature  | | 1.12 Name and Title of Contractor Signatory Daniel Jantzen, Chief Operating Officer | |
| 1.13 Acknowledgement: State of <u>NH</u> , County of <u>Strafford</u> On <u>1/13/15</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is given in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12. | | | |
| 1.13.1 Signature of Notary Public or Justice of the Peace  [Seal] | | | |
| 1.13.2 Name and Title of Notary or Justice of the Peace E. JOHNSTON, Notary | | | |
| 1.14 State Agency Signature  | | 1.15 Name and Title of State Agency Signatory Brook Dupee, Bureau Chief | |
| 1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____ | | | |
| 1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Megan A. Leahy - Attorney On: <u>2/28/15</u> | | | |
| 1.18 Approval by the Governor and Executive Council By: _____ On: _____ | | | |

094
1/13/15

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.

Contractor Initials:
Date:

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

1. Program Name: New Hampshire Ryan White CARE Program

1.1. Purpose:

The purpose of this agreement is to perform necessary dental treatment for clients enrolled in the New Hampshire Ryan White CARE Program (NH CARE Program). The goal of the NH CARE Program is to provide financial assistance for necessary dental treatment and other oral health services, to uninsured and underinsured New Hampshire (NH) residents living with Human Immunodeficiency Virus (HIV), statewide.

2. Provision of Services:

- 2.1. The Contractor shall act as a representative of the NH CARE Program to provide preventive and restorative dental care to uninsured and underinsured NH CARE Program clients.
- 2.2. The Contractor shall provide services to enrolled NH CARE Program clients only; services provided outside of enrollment periods will not be reimbursed.
- 2.3. The Contractor shall refer clients to their Medical Case Manager as needed to re-enroll in the NH CARE Program.
- 2.4. The Contractor shall invoice NH CARE Program for services using a health insurance claim form or reasonable facsimile; additional invoicing methods may be approved by the NH CARE Program.
- 2.5. The Contractor shall invoice NH CARE Program according to the NH CARE Program Dental Fee Schedule; request approval for additional services through the Contract Monitor.
- 2.6. The Contractor shall participate in an annual site visit with NH CARE Program staff.
- 2.7. The Contractor shall provide client level data as requested by the NH CARE Program, for the completion of annual reports to the Health Resources and Services Administration (HRSA).
- 2.8. The Contractor shall maximize billing to NH Medicaid and private dental insurance. The NH CARE Program shall be the payer of last resort and will only reimburse services for uninsured and underinsured clients.

3. Licensing Requirements:

Dentist(s) performing services under this agreement must possess a current dental license issued by the State of New Hampshire Board of Dental Examiners.



Exhibit A

4. Dental providers shall adhere to the NH CARE Program Standards of Care for Oral Health Services, and all applicable Programmatic, Fiscal and Universal Monitoring Standards, as documented by the HRSA:

- <http://hab.hrsa.gov/manageyourgrant/files/programmonitoringpartb.pdf>
- <http://hab.hrsa.gov/manageyourgrant/files/fiscalmonitoringpartb.pdf>
- <http://hab.hrsa.gov/manageyourgrant/files/universalmonitoringpartab.pdf>

5. The Department of Health and Human Services reserves the right to discontinue this agreement should it discover any abridgment of the above partner agreements that jeopardize the intent of this agreement.

6. Entire Agreement:

The following documents are incorporated by reference into this Agreement and they constitute the entire Agreement between the State and the Contactor. General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit B-1 Dental Fee Schedule, Exhibit C Special Provisions, Exhibit C-1 Additional special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability Accountability Act Business Associate Agreement, and Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict of contradiction between or among the Agreement Documents, the documents shall control in the above order of precedence.



Exhibit B

Method and Conditions Precedent to Payment

1. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Bureau of Infectious Disease Control shall reimburse the Contractor for actual dental service(s) provided by the contractor to enrolled NH CARE Program clients. Reimbursement shall be based on the NH CARE Program Dental Fee Schedule identified in Exhibit B-1.
2. Price Limitation. This Agreement is one of multiple Agreements that will serve NH Ryan White CARE Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
3. Notwithstanding anything to the contrary herein, the Contractor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services have not been satisfactorily completed in accordance with the terms and conditions of this Agreement.
4. The funding source for this Agreement for Dental Services is 100% Other Funds from the Pharmaceutical Rebates.
5. Contract dentists shall complete and submit a Dental Claim invoice, due within 30 days. Completed invoice must be submitted to:

NH CARE Program
Bureau of Infectious Disease Control
Department of Health and Human Services
Division of Public Health
29 Hazen Drive
Concord, NH 03301
Fax: 603-271-4934
6. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available. Contractor will keep detailed records of their dental services related to Department of Health and Human Services funded programs and services.
7. Dentists are accountable to meet the scope of services. Failure to meet the scope of services may jeopardize the funded Dentist's current and/or future funding. Corrective action may include actions such as a contract amendment or termination of the contract.



1/13/15



Exhibit B-1

| NH CARE Program Dental Fee Schedule 2014 - 2015 | | |
|---|---|--------|
| Code | Procedure | Fee |
| D0120 | Periodic oral evaluation | 41.00 |
| D0140 | Limited oral evaluation | 60.00 |
| D0150 | Comprehensive oral evaluation | 62.00 |
| D0210 | Intraoral-complete series | 96.00 |
| D0220 | Intraoral-Periapical 1st film | 15.00 |
| D0230 | Intraoral-Periapical each additional | 10.00 |
| D0270 | Bitewings - Xray | 17.00 |
| D0272 | Bitewings - two films | 25.00 |
| D0274 | Bitewings - four films | 45.00 |
| D0330 | Panoramic film | 83.00 |
| D1110 | Prophylaxis adult | 85.00 |
| D1120 | Prophylaxis child | 38.00 |
| D2140 | Amalgam - 1 surface | 150.00 |
| D2150 | Amalgam - 2 surface | 155.00 |
| D2160 | Amalgam - 3 surface | 180.00 |
| D2161 | Amalgam - 4/4+ surface | 200.00 |
| D2330 | Resin-1 surface anterior | 131.00 |
| D2331 | Resin-2 surface anterior | 143.00 |
| D2332 | Resin-3 surface anterior | 147.00 |
| D2335 | Resin-4/4+ surface anterior | 165.00 |
| D2391 | Resin-1 surface posterior | 150.00 |
| D2392 | Resin-2 surface posterior | 155.00 |
| D2393 | Resin-3 surface posterior | 180.00 |
| D2394 | Resin-4/4+ surface posterior | 200.00 |
| D2940 | Sedative Filling | 75.00 |
| D4341 | Scaling and root planing (per quadrant) | 100.00 |
| D4355 | Full mouth debridement | 90.00 |
| D4910 | Periodontal Maintenance | 120.00 |
| D5110 | Complete denture-maxillary | 800.00 |
| D5120 | Complete denture-mandibular | 800.00 |
| D5130 | Immediate denture-maxillary | 875.00 |
| D5140 | Immediate denture-mandibular | 875.00 |
| D5211 | Maxillary partial-resin base | 600.00 |
| D5212 | Maxillary partial-resin base | 600.00 |



Exhibit B-1

| | | |
|-------|--|----------|
| D5213 | Max partial-cast metal w/resin | 1,300.00 |
| D5214 | Mand partial-cast metal w/resin | 1,200.00 |
| D5410 | Adjust complete denture, maxillary | 50.00 |
| D5411 | Adjust complete denture, mandibular | 50.00 |
| D5421 | Adjust partial denture, maxillary | 50.00 |
| D5422 | Adjust partial denture, mandibular | 50.00 |
| D5520 | Replace denture teeth | 127.00 |
| D5670 | Replace All Teeth/Acrylic on cast metal framework\$359 | 359.00 |
| D5750 | Reline complete maxillary denture | 244.00 |
| D5751 | Reline complete mandibular denture | 244.00 |
| D7140 | Extraction-erupted/exposed | 150.00 |
| D7210 | Extraction-surgical-imp bony | 225.00 |
| D7240 | Removal of Impacted Tooth | 348.00 |
| D7310 | Alveoplasty - per quadrant | 275.00 |
| D7472 | Removal of torus palatinus Mandibular - 2 quadrants | 400.00 |
| D5760 | Reline maxillary partial denture | 99.00 |
| D5761 | Reline mandibular partial denture | 99.00 |
| D9110 | Palliative Tx of Dental Pain | 33.00 |
| D9220 | Gen anesthesia (first 30 minutes) | 100.00 |
| D9221 | Gen anesthesia (each additional 15 minutes) | 40.00 |
| D9241 | Intravenous Conscious Sedation/first 30 min | 100.00 |
| D9242 | Intravenous Conscious Sedation/ea add'l 30 min | 40.00 |
| D9310 | Dental Consultation | 68.00 |
| D9612 | Parenteral Drug Injection (\$77 each) | 77.00 |
| D9940 | Mouth Guard | 110.00 |
| | <i>Additional services may be approved by DHHS on a case by case basis</i> | |
| | R:\OCPH\FCH\STDHIV\Group\CARE Program\Policy & Procedures\Dental | |



SPECIAL PROVISIONS

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

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



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

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

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

New Hampshire Department of Health and Human Services
Exhibit C



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

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



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

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

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

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

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

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

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

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

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

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



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

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

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.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

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.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

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



REVISIONS TO GENERAL PROVISIONS

- 1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.

- 2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;

- 10.1 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.
- 10.2 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.
- 10.3 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.
- 10.4 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 13 of the General Provisions of this contract, Indemnification, is replaced as follows;

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



Exhibit C-1

be claimed to arise out of) the negligent acts or omissions or intentional misconduct 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.

4. Insurance:

Subparagraph 14.2 of the General Provisions of this contract is deleted and replaced with the following subparagraph;

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.

5. Confidentiality of Records:

Subparagraph 10 of Exhibit C of this contract, Special Provisions, is deleted and replaced with the following subparagraph;

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the disclosure of any protected health information shall be in accordance with the regulatory provisions of HIPAA; 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.

6. Extension:

This agreement has the option for a potential extension of up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

Handwritten initials of the contractor, appearing to be 'AQ'.

1/13/15

New Hampshire Department of Health and Human Services
Exhibit D



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

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

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

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

Contractor Name: Mary Hitchcock Memorial Hospital dba Dartmouth-Hitchcock

1/13/15
Date

Daniel Jantzen
Name: Daniel Jantzen
Title: Chief Operating Officer



CERTIFICATION REGARDING LOBBYING

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

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

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

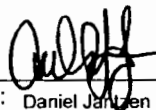
The undersigned certifies, to the best of his or her knowledge and belief, that:

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

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

Contractor Name: Mary Hitchcock Memorial Hospital dba Dartmouth-Hitchcock

1/13/15
Date


Name: Daniel Janzen
Title: Chief Operating Officer



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

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

INSTRUCTIONS FOR CERTIFICATION

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



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

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

PRIMARY COVERED TRANSACTIONS

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


LOWER TIER COVERED TRANSACTIONS

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

Contractor Name: Mary Hitchcock Memorial Hospital dba Dartmouth-Hitchcock

1/13/15
Date


Name: Daniel Jantzen
Title: Chief Operating Officer

Contractor Initials 
Date 1/13/15



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

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

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

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

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

Exhibit G

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

Contractor Initials

Date

1/13/15

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: Mary Hitchcock Memorial Hospital dba Dartmouth-Hitchcock

1/13/15
Date

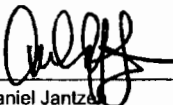


Name: Daniel Jantza
Title: Chief Operating Officer

Exhibit G

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

Contractor Initials


1/13/15
Date



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Contractor Name: Mary Hitchcock Memorial Hospital dba Dartmouth-Hitchcock

1/13/15
Date


Name: Daniel Jantzen
Title: Chief Operating Officer



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Exhibit I – Health Insurance Portability and Accountability Act, Business Associate Agreement does not apply to this contract.

GH

1/13/15



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

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

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

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

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

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

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

Contractor Name: Mary Hitchcock Memorial Hospital dba Dartmouth-Hitchcock

1/13/15
Date


Name: Dan Jantzen
Title: Chief Operating Officer



FORM A

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

1. The DUNS number for your entity is: 069910297
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

_____ NO YES

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

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

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

_____ NO YES

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

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

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

| | |
|-------------|---------------|
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |

1/13/15



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the
NH Ryan White CARE Program Dental Treatment and Oral Health Services Contract**

This first Amendment to the NH Ryan White CARE Program Dental Treatment and Oral Health Services Contract, (hereinafter referred to as "Amendment #1") dated this 21st day of January 2016, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Ramesh Durvasula, DMD, PC (hereinafter referred to as "the Contractor") a sole proprietor with a place of business located at 345 Cilley Road, Suite #3, Manchester NH, 03103.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 10, 2015, Item #15, 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 C-1 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 contract price limitation and extend the contract completion date to support continued delivery of these services; 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, Block 1.7, Completion Date, to read:
June 30, 2018
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$400,000
3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:
Eric D. Borrin
4. Form P-37, General Provisions, Item 1.10, State Agency Telephone Number, to read:
(603) 271-9558
5. Exhibit B-1, Table Header, NH CARE Program Dental Fee Schedule 2014 – 2015, to read:
NH CARE Program Dental Fee Schedule



New Hampshire Department of Health and Human 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,

4/25/16
Date

State of New Hampshire
Department of Health and Human Services
Marcella J. Bobirsky
Name: Marcella J. Bobirsky
Title: Acting Director

02 Feb 16
Date

Ramesh Durvasula, DMD, PC
[Signature] 02 Feb 16
Name: DURVASULA
Title: Partner

Acknowledgement:

State of NEW HAMPSHIRE, County of HILLSBOROUGH on 2-2-2016, 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

[Signature]
Name and Title of Notary or Justice of the Peace



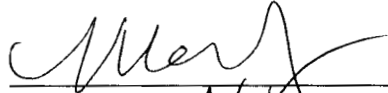
New Hampshire Department of Health and Human Services



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

OFFICE OF THE ATTORNEY GENERAL

5/16/14
Date


Name: Megan A. Fadden
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

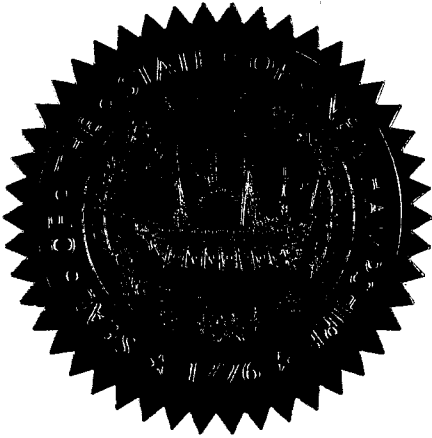
Date

Name:
Title:

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 RAMESH DURVASULA, DMD, PC is a New Hampshire corporation duly incorporated under the laws of the State of New Hampshire on May 3, 2000. I further certify that all fees and annual reports required by the Secretary of State's office have been received and that articles of dissolution have not been filed.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 17th day of May, A.D. 2016

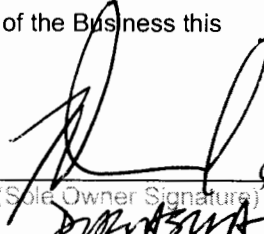
A handwritten signature in cursive script, reading "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY
(Sole Proprietor)

I, RAMESH DURVASULA, as a Sole Owner of my Business, RAMESH DURVASULA, DMD, P.C.,
certify that I am authorized to enter into a contract with the State of New Hampshire, Department
of Health and Human Services, on behalf of myself.

IN WITNESS WHEREOF, I have set my hand as the Sole Owner of the Business this
2nd day of FEBRU, 20 16.




(Sole Owner Signature) RAMESH DURVASULA

STATE OF NH.
COUNTY OF HILLSBOROUGH

On this the 2 day of FEBRUARY, 20 16, before me, DAVE NAPIER
the undersigned Officer, personally appeared RAMESH S. DURVASULA, who acknowledge
her/himself to be the Sole Owner, of RAMESH DURVASULA DMD, a Business, and that
she/he, as such Sole Owner being authorized to do so, executed the foregoing instrument for the
purposes therein contained, by signing the name of the Business by her/himself as
RAMESH S. DURVASULA.

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



(Notary Public/Justice of the Peace)

My Commission expires:



Ramesh Durvasula, D.M.D.

Medical Arts Building
345 Cilley Road
Manchester, NH 03103
603-860-7584
RD2205@msn.com

Professional Experience:

DENTIST:

2000-Current:

Private Practice, Manchester, NH

2003-Current:

Dentist, Dartmouth-Hitchcock, Bedford, NH

Dentist-Southern New Hampshire Integrated Care Program

Dentist-Greater Manchester AIDS Project

Providing dental care to HIV+ patients through Federal Grants (Ryan White) via these agencies.

1997-Current:

Dental Officer, U.S. Navy

Rank: Commander (O-5)

Currently serving as Senior Dental Executive with Operational Support Health Unit, Portsmouth, VA.

Education:

Tufts University 1996

Degree: Doctor of Dental Medicine

University of Massachusetts 1991

Degree: Bachelor of Arts

Major: Chemistry

Licenses and Certifications:

New Hampshire

Controlled Substance Certificate (DEA)

Department of the Navy Credentials Package

BLS/CPR

Memberships:

American Dental Association

New Hampshire Dental Association

Navy Reserve Association

Continuing Education:

Over 40 CEUs earned biannually to maintain current licensure from various institutions.



Nicholas A. Toumpas
Commissioner

Marcella Jordan Bobinsky
Acting Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6503
603-271-4612 1-800-852-3345 Ext. 4612
Fax: 603-271-4827 TDD Access: 1-800-735-2964



AV 15

May 7, 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 of Public Health Services, to establish a list of dentists, with the ability to expand said list to include additional interested dental contractors to provide necessary dental treatment for clients enrolled in the New Hampshire Ryan White CARE Program. No maximum client or service volume is guaranteed. Accordingly, the price limitation among all Agreements is \$100,000 each State Fiscal Year for a total of \$200,000. The Agreements are effective date of Governor and Executive Council approval through June 30, 2016. 100% other funds.

| VENDOR | LOCATION |
|-----------------------|----------------|
| Ramesh Durvasula, DMD | Manchester, NH |

Funds are available in the following account for SFY 2015, and are anticipated to be available in SFY 2016 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts between State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, PHARMACEUTICAL REBATES

| Fiscal Year | Class/Account | Class Title | Job Number | Total Amount |
|-------------|---------------|--------------|--------------|------------------|
| SFY 2015 | 530-500371 | Drug Rebates | 90024608 | \$100,000 |
| SFY 2016 | 530-500371 | Drug Rebates | 90024608 | \$100,000 |
| | | | Total | \$200,000 |

EXPLANATION

This requested action is the sixth (6th) of seven (7) agreements that will ensure the provision of dental treatment and other oral health services to New Hampshire residents living with Human Immunodeficiency Virus (HIV), statewide that are enrolled in the New Hampshire Ryan White CARE Program. The licensed Dentists will provide dental treatment and other oral health services to enrolled clients, on an individual, case-by-case, as needed basis. The Department anticipates that the remaining agreement will be presented at an upcoming Governor and Executive Council meeting.

The New Hampshire Ryan White CARE Program receives funding from the Health Resources and Services Administration (HRSA), Ryan White HIV/AIDS Program, Part B for medical services, oral health, and home health care services. HRSA funding is in accordance with the Ryan White HIV/AIDS Treatment Extension Act of 2009. The intent of the legislation and federal funding is to assure access to care for financially eligible individuals living with HIV/AIDS. A recipient of federal funding, the New Hampshire Ryan White CARE Program is subject to the federal mandate to implement contractual agreements with all service providers and to maintain nationally accepted fiscal, programmatic, and monitoring standards established by HRSA. Federal regulation also requires that Ryan White CARE Program funds be used as a "payer of last resort".

Should Governor and Executive Council not authorize this Request, federal regulations and monitoring standards will not be met and eligible New Hampshire residents living with HIV with immediate oral health needs and without access to care will not receive prevention and treatment for dental conditions. The services in this Contract will promote the goals of the National HIV/AIDS Strategy and maintain a continuum of care in order to reduce HIV related health disparities and the occurrence of negative health outcomes. The program currently provides services to approximately 450 to 500 clients statewide.

A Request for Applications was posted on the Department of Health and Human Services' web site on April 4, 2014 to solicit dentists to provide dental services to New Hampshire Ryan White CARE program clients. In addition, an email was sent to twelve (12) known dental providers for Ryan White Part B services on April 4, 2014, notifying them that a Request for Application was posted. Seven (7) applications were received from licensed dentists, and were approved for funding.

As referenced in the Request for Application and in exhibit C-1, Revisions to General Provisions, this Agreement has the option to extend for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 7, 2015
Page 3

The performance of this program will be measured by the number of New Hampshire Ryan White CARE Program clients that actually receive dental services.

The geographic area to be served is statewide.

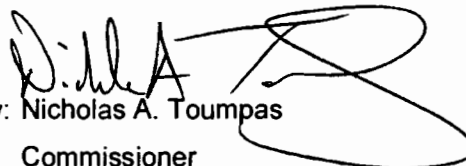
Source of Funds: 100% Other Funds from the Pharmaceutical Rebates.

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

Respectfully submitted,



Marcella Jordan Bobinsky
Acting Director



Approved by: Nicholas A. Toumpas
Commissioner

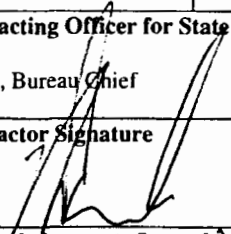
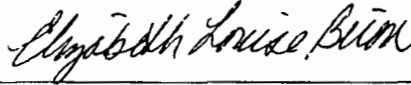
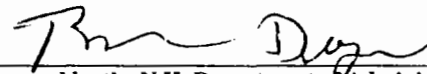
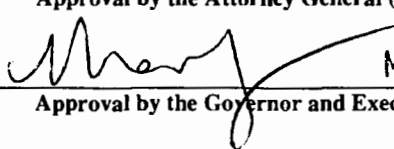
Subject: New Hampshire Ryan White CARE Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

| | | | |
|---|--|--|--|
| 1.1 State Agency Name NH Department of Health and Human Services | | 1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857 | |
| 1.3 Contractor Name Ramesh Durvasula, DMD, PC | | 1.4 Contractor Address 345 Cilley Road Suite #3 Manchester, NH 03013 | |
| 1.5 Contractor Phone Number 603-669-7584 | 1.6 Account Number 05-95-90-902510-2229-530-500371 | 1.7 Completion Date June 30, 2016 | 1.8 Price Limitation \$200,000 |
| 1.9 Contracting Officer for State Agency Brook Dupee, Bureau Chief | | 1.10 State Agency Telephone Number 603-271-4483 | |
| 1.11 Contractor Signature  | | 1.12 Name and Title of Contractor Signatory Ramesh Durvasula, DMD | |
| 1.13 Acknowledgement: State of <u>NH</u> , County of <u>Herrinck</u> On <u>4/9/15</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12. | | | |
| 1.13.1 Signature of Notary Public or Justice of the Peace {Seal}  | | | |
| 1.13.2 Name and Title of Notary or Justice of the Peace | | | |
| 1.14 State Agency Signature  | | 1.15 Name and Title of State Agency Signatory Brook Dupee, Bureau Chief | |
| 1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____ | | | |
| 1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>Megan A. York, Attorney</u> <u>5/15/15</u> | | | |
| 1.18 Approval by the Governor and Executive Council By: _____ On: _____ | | | |

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

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

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

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

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

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

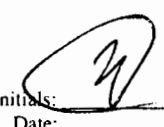
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity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

7. PERSONNEL.

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

Contractor Initials:

Date:


09/11/15

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: _____

Date: _____

W
P. J. ...

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.

Contractor Initials:
Date:

[Handwritten signature]



Exhibit A

Scope of Services

1. Program Name: New Hampshire Ryan White CARE Program

1.1. Purpose:

The purpose of this agreement is to perform necessary dental treatment for clients enrolled in the New Hampshire Ryan White CARE Program (NH CARE Program). The goal of the NH CARE Program is to provide financial assistance for necessary dental treatment and other oral health services, to uninsured and underinsured New Hampshire (NH) residents living with Human Immunodeficiency Virus (HIV), statewide.

2. Provision of Services:

- 2.1. The Contractor shall act as a representative of the NH CARE Program to provide preventive and restorative dental care to uninsured and underinsured NH CARE Program clients.
- 2.2. The Contractor shall provide services to enrolled NH CARE Program clients only; services provided outside of enrollment periods will not be reimbursed.
- 2.3. The Contractor shall refer clients to their Medical Case Manager as needed to re-enroll in the NH CARE Program.
- 2.4. The Contractor shall invoice NH CARE Program for services using a health insurance claim form or reasonable facsimile; additional invoicing methods may be approved by the NH CARE Program.
- 2.5. The Contractor shall invoice NH CARE Program according to the NH CARE Program Dental Fee Schedule; request approval for additional services through the Contract Monitor.
- 2.6. The Contractor shall participate in an annual site visit with NH CARE Program staff.
- 2.7. The Contractor shall provide client level data as requested by the NH CARE Program, for the completion of annual reports to the Health Resources and Services Administration (HRSA).
- 2.8. The Contractor shall maximize billing to NH Medicaid and private dental insurance. The NH CARE Program shall be the payer of last resort and will only reimburse services for uninsured and underinsured clients.

3. Licensing Requirements:

Dentist(s) performing services under this agreement must possess a current dental license issued by the State of New Hampshire Board of Dental Examiners.

Handwritten initials, possibly 'RD', written in black ink.

Handwritten date '09/16/15' written in black ink.



Exhibit A

4. Dental providers shall adhere to the NH CARE Program Standards of Care for Oral Health Services, and all applicable Programmatic, Fiscal and Universal Monitoring Standards, as documented by the HRSA:

- <http://hab.hrsa.gov/manageyourgrant/files/programmonitoringpartb.pdf>
- <http://hab.hrsa.gov/manageyourgrant/files/fiscalmonitoringpartb.pdf>
- <http://hab.hrsa.gov/manageyourgrant/files/universalmonitoringpartab.pdf>

5. The Department of Health and Human Services reserves the right to discontinue this agreement should it discover any abridgment of the above partner agreements that jeopardize the intent of this agreement.

6. Entire Agreement:

The following documents are incorporated by reference into this Agreement and they constitute the entire Agreement between the State and the Contactor. General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit B-1 Dental Fee Schedule, Exhibit C Special Provisions, Exhibit C-1 Additional special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability Accountability Act Business Associate Agreement, and Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict of contradiction between or among the Agreement Documents, the documents shall control in the above order of precedence.

A handwritten signature in black ink, appearing to be a stylized 'R' or similar character.

A handwritten date in black ink, appearing to be '09 APR 15'.



Exhibit B

Method and Conditions Precedent to Payment

1. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Bureau of Infectious Disease Control shall reimburse the Contractor for actual dental service(s) provided by the contractor to enrolled NH CARE Program clients. Reimbursement shall be based on the NH CARE Program Dental Fee Schedule identified in Exhibit B-1.
2. Price Limitation. This Agreement is one of multiple Agreements that will serve NH Ryan White CARE Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
3. Notwithstanding anything to the contrary herein, the Contractor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services have not been satisfactorily completed in accordance with the terms and conditions of this Agreement.
4. The funding source for this Agreement for Dental Services is 100% Other Funds from the Pharmaceutical Rebates.
5. Contract dentists shall complete and submit a Dental Claim invoice, due within 30 days. Completed invoice must be submitted to:

NH CARE Program
Bureau of Infectious Disease Control
Department of Health and Human Services
Division of Public Health
29 Hazen Drive
Concord, NH 03301
Fax: 603-271-4934
6. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available. Contractor will keep detailed records of their dental services related to Department of Health and Human Services funded programs and services.
7. Dentists are accountable to meet the scope of services. Failure to meet the scope of services may jeopardize the funded Dentist's current and/or future funding. Corrective action may include actions such as a contract amendment or termination of the contract.

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Handwritten date "09/10/15" in black ink.



Exhibit B-1

| NH CARE Program Dental Fee Schedule 2014 - 2015 | | |
|---|---|--------|
| Code | Procedure | Fee |
| D0120 | Periodic oral evaluation | 41.00 |
| D0140 | Limited oral evaluation | 60.00 |
| D0150 | Comprehensive oral evaluation | 62.00 |
| D0210 | Intraoral-complete series | 96.00 |
| D0220 | Intraoral-Periapical 1st film | 15.00 |
| D0230 | Intraoral-Periapical each additional | 10.00 |
| D0270 | Bitewings - Xray | 17.00 |
| D0272 | Bitewings - two films | 25.00 |
| D0274 | Bitewings - four films | 45.00 |
| D0330 | Panoramic film | 83.00 |
| D1110 | Prophylaxis adult | 85.00 |
| D1120 | Prophylaxis child | 38.00 |
| D2140 | Amalgam - 1 surface | 150.00 |
| D2150 | Amalgam - 2 surface | 155.00 |
| D2160 | Amalgam - 3 surface | 180.00 |
| D2161 | Amalgam - 4/4+ surface | 200.00 |
| D2330 | Resin-1 surface anterior | 131.00 |
| D2331 | Resin-2 surface anterior | 143.00 |
| D2332 | Resin-3 surface anterior | 147.00 |
| D2335 | Resin-4/4+ surface anterior | 165.00 |
| D2391 | Resin-1 surface posterior | 150.00 |
| D2392 | Resin-2 surface posterior | 155.00 |
| D2393 | Resin-3 surface posterior | 180.00 |
| D2394 | Resin-4/4+ surface posterior | 200.00 |
| D2940 | Sedative Filling | 75.00 |
| D4341 | Scaling and root planing (per quadrant) | 100.00 |
| D4355 | Full mouth debridement | 90.00 |
| D4910 | Periodontal Maintenance | 120.00 |
| D5110 | Complete denture-maxillary | 800.00 |
| D5120 | Complete denture-mandibular | 800.00 |
| D5130 | Immediate denture-maxillary | 875.00 |
| D5140 | Immediate denture-mandibular | 875.00 |
| D5211 | Maxillary partial-resin base | 600.00 |
| D5212 | Maxillary partial-resin base | 600.00 |

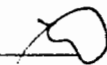
Contractor Initials *W*

Date *09/11/15*



Exhibit B-1

| | | |
|--|--|----------|
| D5213 | Max partial-cast metal w/resin | 1,300.00 |
| D5214 | Mand partial-cast metal w/resin | 1,200.00 |
| D5410 | Adjust complete denture, maxillary | 50.00 |
| D5411 | Adjust complete denture, mandibular | 50.00 |
| D5421 | Adjust partial denture, maxillary | 50.00 |
| D5422 | Adjust partial denture, mandibular | 50.00 |
| D5520 | Replace denture teeth | 127.00 |
| D5670 | Replace All Teeth/Acrylic on cast metal framework\$359 | 359.00 |
| D5750 | Reline complete maxillary denture | 244.00 |
| D5751 | Reline complete mandibular denture | 244.00 |
| D7140 | Extraction-erupted/exposed | 150.00 |
| D7210 | Extraction-surgical-imp bony | 225.00 |
| D7240 | Removal of Impacted Tooth | 348.00 |
| D7310 | Alveoloplasty - per quadrant | 275.00 |
| D7472 | Removal of torus palatinus Mandibular - 2 quadrants | 400.00 |
| D5760 | Reline maxillary partial denture | 99.00 |
| D5761 | Reline mandibular partial denture | 99.00 |
| D9110 | Palliative Tx of Dental Pain | 33.00 |
| D9220 | Gen anesthesia (first 30 minutes) | 100.00 |
| D9221 | Gen anesthesia (each additional 15 minutes) | 40.00 |
| D9241 | Intravenous Conscious Sedation/first 30 min | 100.00 |
| D9242 | Intravenous Conscious Sedation/ea add'l 30 min | 40.00 |
| D9310 | Dental Consultation | 68.00 |
| D9612 | Parenteral Drug Injection (\$77 each) | 77.00 |
| D9940 | Mouth Guard | 110.00 |
| <i>Additional services may be approved by DHHS on a case by case basis</i> | | |
| R:\OCPH\FCH\STDHIV\Group\CARE Program\Policy & Procedures\Dental | | |

Contractor Initials 
 Date 19 APR 15



SPECIAL PROVISIONS

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

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

Exhibit C – Special Provisions

Contractor Initials


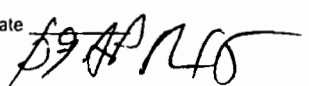
Date 09 APR 15



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

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

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



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

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

[Handwritten Signature]
Date *[Handwritten Date]*



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

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

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

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

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

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

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

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

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

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

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

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

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.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

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.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

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

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REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
 4. **CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.

2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
 - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
 - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
 - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
 - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
 - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

3. **Extension:**

This agreement has the option for a potential extension of up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

4. **Insurance:**

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 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 and professional liability coverage in the amount of \$1,000,000 per occurrence.



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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


ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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


Date 09/11/15

New Hampshire Department of Health and Human Services
Exhibit D



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

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

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

09/11/15
Date

Contractor Name: [Signature]
Name: _____
Title: _____

Contractor Initials [Signature]
Date 09/11/15



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

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

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

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

09/11/15
Date

Contractor Name: [Signature]
Name: _____
Title: _____

Contractor Initials [Signature]
Date 09/11/15



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

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily 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

[Handwritten Signature]
[Handwritten Date: 09/10/15]



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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

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

09 APR 15
Date

Contractor Name: _____
Name: _____
Title: _____

Contractor Initials
Date 09 APR 15



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

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

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

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

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

Exhibit G

Contractor Initials

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

03/04/15

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.

09/27/14
Date

Contractor Name:

[Signature]
Name:
Title:

Exhibit G

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

Contractor Initials

[Signature]
09/27/14



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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


Date

Contractor Name:


Name
Title:



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Exhibit I – Health Insurance Portability and Accountability Act, Business Associate Agreement does not apply to this contract.



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

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

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

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

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

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

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

09 APR 15
Date

Contractor Name:

[Signature]
Name:
Title:

Contractor Initials

Date

[Signature]

09 APR 15



FORM A

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

1. The DUNS number for your entity is: 036400930
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO YES

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

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

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

NO YES

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

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

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

| | |
|-------------|---------------|
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the
NH Ryan White CARE Program Dental Treatment and Oral Health Services Contract**

This first Amendment to the NH Ryan White CARE Program Dental Treatment and Oral Health Services Contract, (hereinafter referred to as "Amendment #1") dated this 20th day of January, 2016, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Tri-County Community Action Program, Inc. (hereinafter referred to as "the Contractor") a nonprofit corporation with a place of business located at 30 Exchange Street, Berlin, NH 03570.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on December 3, 2014, Item #20, 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 C-1 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 contract price limitation and extend the contract completion date to support continued delivery of these services; 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, Block 1.7, Completion Date, to read:
June 30, 2018
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$400,000
3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:
Eric D. Borrin
4. Form P-37, General Provisions, Item 1.10, State Agency Telephone Number, to read:
(603) 271-9558
5. Exhibit B-1, Table Header, NH CARE Program Dental Fee Schedule 2014 – 2015, to read:
NH CARE Program Dental Fee Schedule
6. Delete Exhibit C, Special Provisions, and replace with Exhibit C Amendment #1, Special Provisions.
7. Delete Standard Exhibit G, Certification Regarding the Americans with Disabilities Act Compliance, and replace with Exhibit G – Amendment #1, 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



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,

Date 4/25/16

State of New Hampshire
Department of Health and Human Services

Marcella T. Babinsky
Name: Marcella T. Babinsky
Title: Acting Director

Date 3-10-16

Tri-County Community Action Program, Inc.

Michael Coughlin
Name: Michael Coughlin
Title: Chief Executive Executive

Acknowledgement:

State of NH , County of Coos on 3-10-16 , 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

Suzanne C. French
Name and Title of Notary or Justice of the Peace
Suzanne C. French, Notary

SUZANNE C. FRENCH
Notary Public - New Hampshire
My Commission Expires June 19, 2018

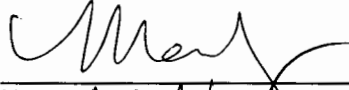
New Hampshire Department of Health and Human Services



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

OFFICE OF THE ATTORNEY GENERAL

Date 5/16/16


Name: Megan A. Yule
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date _____

Name: _____
Title: _____



SPECIAL PROVISIONS

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

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



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

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

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



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

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



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

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

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

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

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

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

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

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

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

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



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

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

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.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

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.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

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



**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- Amendment #1

Contractor Initials MC

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

New Hampshire Department of Health and Human Services
Exhibit G – Amendment #1



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: Tri-County Community Action Program, Inc.

3-10-16
Date


Name: Michael Coughlin
Title: Chief Executive Officer

Exhibit G- Amendment #1

Contractor Initials MC

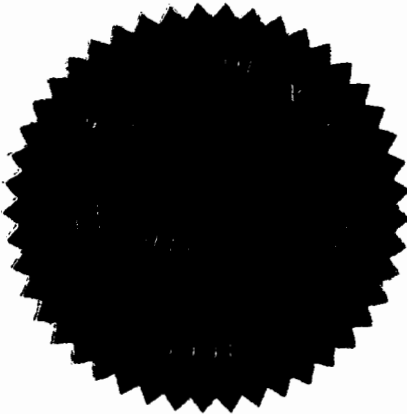
Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Date 3-10-16

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 TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. (TRI-COUNTY CAP) is a New Hampshire nonprofit corporation formed May 18, 1965. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 7th day of April A.D. 2016

Handwritten signature of William M. Gardner in cursive script.

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

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

1. I am a duly elected Officer of Tri-County Community Action Program, 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 3-10-2016:
(Date)

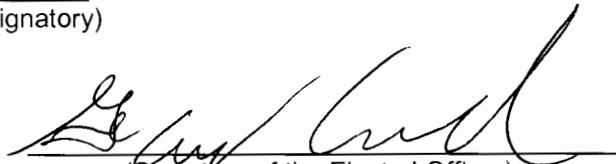
RESOLVED: That the Chief Executive Officer
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of
the 10th day of March, 2016.
(Date Contract Signed)

4. Michael Coughlin is the duly elected Chief Executive Officer
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.



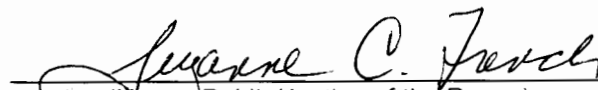
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Coos

The forgoing instrument was acknowledged before me this 10th day of March, 2016,

By Gary Coulombe.
(Name of Elected Officer of the Agency)



(Notary)Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 6-19-18

SUZANNE C. FRENCH
Notary Public - New Hampshire
My Commission Expires June 19, 2018



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/17/2015

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

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

| | | | |
|---|--|--|--|
| PRODUCER FIAI/Cross Insurance 1100 Elm Street Manchester NH 03101 | | CONTACT NAME: Karen Shaughnessy PHONE (A/C, No, Ext): (603) 669-3218 FAX (A/C, No): (603) 645-4331 E-MAIL ADDRESS: kshaughnessy@crossagency.com | |
| INSURED Tri-County Community Action Program, Inc 30 Exchange Street Berlin NH 03570 | | INSURER(S) AFFORDING COVERAGE INSURER A Arch Ins Co NAIC # 11150 INSURER B AmGuard Insurance Company INSURER C : INSURER D : INSURER E : INSURER F : | |

COVERAGES **CERTIFICATE NUMBER:** CL157243649 **REVISION NUMBER:**

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

| INSR LTR | TYPE OF INSURANCE | ADDL INSR | SUBR VVVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|-----------|--|---|-------------------------|-------------------------|--|
| A | GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR | | | NCPCKG0328200 | 7/1/2015 | 7/1/2016 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 |
| | GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | | | | | | |
| A | AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | | | NCAUT0328200 | 7/1/2015 | 7/1/2016 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Underinsured motorist \$ 1,000,000 |
| B | UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE | | | NCFXS0328200 | 7/1/2015 | 7/1/2016 | EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 |
| | DED RETENTION \$ | | | | | | |
| B | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | | Y/N <input checked="" type="checkbox"/> N | TRWC659784 (3a.) NH All officers included | 7/1/2015 | 7/1/2016 | <input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000 |
| A | Professional Liability | | | NCPCKG0328200 | 7/1/2015 | 7/1/2016 | Per Occurrence \$1,000,000 Aggregate \$3,000,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Refer to policy for exclusionary endorsements and special provisions.

| | |
|---|--|
| CERTIFICATE HOLDER reisman@dhhs.state.nh.us State of NH- DHHS Contracts & Procurement 129 Pleasant Street Concord, NH 03301 | CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Laura Perrin/KS5 <i>Laura Perrin</i> |
|---|--|

MISSION STATEMENT

Tri-County CAP is a group of people and projects dedicated to improving the lives and well-being of New Hampshire's people and communities.

We provide opportunities and support for people to learn and grow in self-sufficiency, and to get involved in helping their neighbors and improving the conditions in their communities.

***Tri-County Community Action Programs...
Helping people, changing lives.***

TRI-COUNTY COMMUNITY ACTION PROGRAM, Inc. Is a private, non-profit 501(C) 3 corporation that is dedicated to improving the lives and well being of New Hampshire's people and communities. Formed on May 18, 1965, we provide opportunities and support for people to learn and grow in self-sufficiency and get involved in helping their neighbors and improving the conditions in their communities.

TRI-COUNTY COMMUNITY ACTION PROGRAM, Inc.

...Helping people, changing lives.

Financial Statements

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30 2015
AND
INDEPENDENT AUDITORS' REPORT**

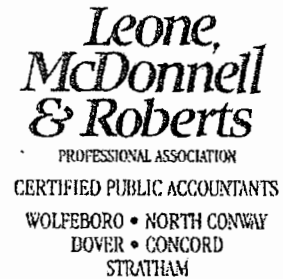
TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

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To the Board of Directors of
Tri-County Community Action Program, Inc.
Berlin, New Hampshire



INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Tri-County Community Action Program, Inc. and affiliate (a New Hampshire nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tri-County Community Action Program, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with 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 10, 2015, on our consideration of Tri-County Community Action Program, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tri-County Community Action Program, Inc.'s internal control over financial reporting and compliance.

Leone, McDormell & Roberts
Professional Association

December 10, 2015
North Conway, New Hampshire

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

ASSETS

| | |
|--------------------------------|-----------------------------|
| CURRENT ASSETS | |
| Cash | \$ 488,950 |
| Accounts receivable | 1,014,274 |
| Pledges receivable | 247,754 |
| Inventories | 116,150 |
| Prepaid expenses | <u>30,678</u> |
| Total current assets | <u>1,897,806</u> |
| PROPERTY | |
| Property, plant, and equipment | 13,468,105 |
| Less accumulated depreciation | <u>(4,588,525)</u> |
| Property, net | <u>8,879,580</u> |
| OTHER ASSETS | |
| Restricted cash | 540,395 |
| Building refinance costs, net | <u>15,365</u> |
| Total other assets | <u>555,760</u> |
| TOTAL ASSETS | <u>\$ 11,333,146</u> |

LIABILITIES AND NET ASSETS

| | |
|---|-----------------------------|
| CURRENT LIABILITIES | |
| Demand note payable | \$ 700,252 |
| Current portion of long term debt | 271,685 |
| Accounts payable | 671,782 |
| Accrued compensated absences | 332,024 |
| Accrued salaries | 134,822 |
| Accrued expenses | 107,474 |
| Refundable advances | 191,343 |
| Other liabilities | <u>280,474</u> |
| Total current liabilities | <u>2,689,856</u> |
| LONG TERM DEBT | |
| Long term debt, net of current portion | 5,938,456 |
| Interest rate swap at fair value | <u>7,385</u> |
| Total liabilities | <u>8,635,697</u> |
| NET ASSETS | |
| Unrestricted | 1,951,539 |
| Temporarily restricted | <u>745,910</u> |
| Total net assets | <u>2,697,449</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 11,333,146</u> |

See Notes to Consolidated Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|---|---------------------|-----------------------------------|---------------------|
| REVENUES AND OTHER SUPPORT | | | |
| Grant and contracts | \$ 13,563,675 | \$ 267,197 | \$ 13,830,872 |
| Program funding | 1,600,750 | 102,424 | 1,703,174 |
| Utility programs | 916,957 | - | 916,957 |
| In-kind contributions | 252,489 | - | 252,489 |
| Contributions | 116,342 | 20,841 | 137,183 |
| Fundraising | 43,415 | - | 43,415 |
| Rental income | 824,332 | - | 824,332 |
| Interest income | 485 | - | 485 |
| Gain on disposal | 16,580 | - | 16,560 |
| Other revenue | <u>91,349</u> | <u>-</u> | <u>91,349</u> |
| Total revenues and other support | 17,426,354 | 390,462 | 17,816,816 |
| NET ASSETS RELEASED FROM RESTRICTIONS | <u>307,765</u> | <u>(307,765)</u> | <u>-</u> |
| Total revenues, other support, and net assets released from restrictions | <u>17,734,119</u> | <u>82,697</u> | <u>17,816,816</u> |
| FUNCTIONAL EXPENSES | | | |
| Program Services: | | | |
| Agency Fund | 883,748 | - | 883,748 |
| Head Start | 2,289,054 | - | 2,289,054 |
| Guardianship | 767,955 | - | 767,955 |
| Transportation | 985,004 | - | 985,004 |
| Volunteer | 87,521 | - | 87,521 |
| Workforce Development | 449,251 | - | 449,251 |
| Alcohol and Other Drugs | 989,422 | - | 989,422 |
| Carroll County Dental | 496,634 | - | 496,634 |
| Carroll County Restorative Justice | 95,727 | - | 95,727 |
| Support Center | 249,099 | - | 249,099 |
| Homeless | 442,493 | - | 442,493 |
| Energy and Community Development | 7,433,283 | - | 7,433,283 |
| Elder | 1,088,328 | - | 1,088,328 |
| Housing Services | <u>172,157</u> | <u>-</u> | <u>172,157</u> |
| Total program services | <u>16,429,676</u> | <u>-</u> | <u>16,429,676</u> |
| Supporting Activities: | | | |
| General and administrative | 1,154,866 | - | 1,154,866 |
| Fundraising | <u>4,498</u> | <u>-</u> | <u>4,498</u> |
| Total supporting activities | <u>1,159,364</u> | <u>-</u> | <u>1,159,364</u> |
| Total functional expenses | <u>17,589,040</u> | <u>-</u> | <u>17,589,040</u> |
| CHANGES IN NET ASSETS FROM OPERATIONS | 145,079 | 82,697 | 227,776 |
| OTHER INCOME | | | |
| Gain on interest rate swap | <u>42,327</u> | <u>-</u> | <u>42,327</u> |
| TOTAL CHANGES IN NET ASSETS | <u>187,406</u> | <u>82,697</u> | <u>270,103</u> |
| NET ASSETS, BEGINNING OF YEAR | <u>1,764,133</u> | <u>663,213</u> | <u>2,427,346</u> |
| NET ASSETS, END OF YEAR | <u>\$ 1,951,539</u> | <u>\$ 745,910</u> | <u>\$ 2,697,449</u> |

See Notes to Consolidated Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015**

| | |
|---|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Change in net assets | \$ 270,103 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation and amortization | 483,149 |
| Gain on disposal of property | (16,560) |
| Gain on interest rate swap | (42,327) |
| Decrease (increase) in assets: | |
| Restricted cash | 225,470 |
| Accounts receivable | (180,597) |
| Pledges receivable | (247,754) |
| Inventories | (50,111) |
| Prepaid expenses | (3,392) |
| Other assets | 818 |
| Increase (decrease) in liabilities: | |
| Accounts payable | 16,947 |
| Accrued compensated absences | 54,245 |
| Accrued salaries | 23,336 |
| Accrued expenses | (8,588) |
| Refundable advances | (33,228) |
| Other liabilities | (125,119) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>366,392</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from disposal of property | 57,159 |
| Purchase of property and equipment | (286,141) |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(228,982)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Net advance of demand note payable | 199,201 |
| Proceeds from long-term debt | 13,089 |
| Repayment of long-term debt | (239,753) |
| NET CASH USED IN FINANCING ACTIVITIES | <u>(27,463)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 109,947 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>379,003</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 488,950</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | |
| Cash paid during the year for: | |
| Interest | <u>\$ 233,577</u> |

See Notes to Consolidated Financial Statements

TELEPHONE COMMUNICATIONS PROGRAM, INC. AND AFFILIATE
 CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED JUNE 30, 1911

| Direct Expenses | Berkey Fund | Miss Star | Parishville | Lambertville | Warwick | Verona | Albion and Other Towns | Carroll County Recreation Fund | Carroll County Recreation Fund | Support Center | Boonville | Energy and Development | Water System | General & Administrative | Contingency | Total |
|---|-------------|-----------|-------------|--------------|---------|---------|---------------------------|--------------------------------------|--------------------------------------|-------------------|-----------|---------------------------|-----------------|-----------------------------|-------------|------------|
| Fixed Expenses | 71,026 | 1,082,897 | 564,064 | 466,640 | 60,450 | 249,870 | 577,098 | 294,100 | 54,064 | 150,077 | 248,284 | 1,146,181 | 448,058 | 624,111 | - | 6,014,885 |
| Physical Depreciation | 15,844 | 208,327 | 127,500 | 78,720 | 18,750 | 64,708 | 155,187 | 88,422 | 18,810 | 34,134 | 42,330 | 2,303,742 | 103,535 | 152,204 | - | 5,844,482 |
| Telephone and telegraph | 618 | 90 | - | - | - | 7,481 | 118 | 14,885 | 1,713 | 1,287 | 17,472 | 14,927 | 740 | 152,204 | - | 184,844 |
| Electricity and power | 12,568 | 24,210 | 4,729 | 11,420 | 6,481 | 24,105 | 49,240 | 14,885 | 1,713 | 3,000 | 17,306 | 14,927 | 48,409 | 20,020 | - | 203,218 |
| Gas | 14,122 | 17,178 | 3,946 | 10,306 | 5,871 | 21,347 | 42,342 | 14,885 | 1,713 | 446 | 10,006 | 10,143 | 3,017 | 18,184 | - | 134,778 |
| Steam heat and fuel | 14,122 | 17,178 | 3,946 | 10,306 | 5,871 | 21,347 | 42,342 | 14,885 | 1,713 | 446 | 10,006 | 10,143 | 3,017 | 18,184 | - | 134,778 |
| Contractors' charges | 4,351 | 206,458 | 11,810 | 16,099 | 1,075 | 4,897 | 72,317 | 22,479 | 20,428 | 6,022 | 8,220 | 286,498 | 207,084 | 18,188 | - | 1,029,887 |
| Maintenance of equipment and rental | 88,000 | 26,840 | 14,770 | 3,472 | - | 300 | 1,081 | 1,081 | - | 8,542 | 3,284 | 1,088 | 4,199 | 16 | - | 162,982 |
| Repairs and expenses maintenance | 175,273 | 22,064 | 10,078 | 10,231 | 742 | 7,500 | 48,844 | 8,196 | 1,090 | 9,023 | 25,160 | 28,178 | 21,887 | 4,659 | - | 428,302 |
| Travel and meeting | 2,208 | 88,230 | 26,418 | 38,723 | 1,071 | 14,132 | 12,857 | 1,261 | 1,086 | 5,337 | 14,871 | 13,202 | 31,300 | 15,281 | - | 208,659 |
| Utilities | 605 | - | - | 148,877 | - | - | 7,099 | 87 | - | - | 2,977 | 44,488 | - | 3,281 | - | 208,604 |
| Insurance | 114,659 | 26,247 | 1,107 | 56,738 | 787 | - | 21,898 | 2,268 | 6,433 | 6,433 | 9,125 | 44,883 | - | 4,218 | - | 208,604 |
| Interest expense | 183,045 | 48 | 48 | 413 | 29 | - | 6,983 | 40,498 | - | 2 | 1,128 | 5,208 | 24 | 2,728 | - | 208,604 |
| Depreciation on equipment | 13,266 | 13,266 | - | 6,133 | - | - | 6,133 | - | - | 70 | - | 10,267 | - | - | - | 33,732 |
| Depreciation and amortization expenses to be capitalized | 81,048 | 14,228 | 4,688 | 116,038 | 30 | - | 23,339 | 43,818 | - | 10,075 | 1,762 | 10,277 | 8,440 | 8,311 | - | 418,148 |
| | 225,018 | 2,096,034 | 707,305 | 660,004 | 97,521 | 449,231 | 986,422 | 498,834 | 85,727 | 240,096 | 447,403 | 1,453,383 | 1,086,328 | 1,154,898 | 4,408 | 17,290,040 |
| Indirect Expenses | 85,821 | 238,481 | 33,837 | 60,881 | 9,833 | 41,328 | 113,748 | 52,143 | 8,681 | 28,531 | 47,300 | 235,297 | 172,481 | (1,154,898) | - | 518,886 |
| Total | 999,219 | 2,297,515 | 851,142 | 1,066,885 | 107,354 | 490,559 | 1,100,170 | 550,977 | 94,408 | 268,627 | 494,703 | 1,688,680 | 1,258,809 | 1,153,700 | 4,408 | 17,808,926 |

See Note to Consolidated Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Principles of Consolidation

The financial statements include the accounts of Tri-County Community Action Program, Inc. and its affiliate, Cornerstone Housing North, Inc. The two organizations are consolidated because Tri-County Community Action Program, Inc. controls 100% of the voting power of Cornerstone Housing North, Inc. All significant intercompany items and transactions have been eliminated from the basic financial statements. Tri-County Community Action Program, Inc. (the Organization) is a New Hampshire non-profit corporation that operates a wide variety of community service programs which are funded primarily through grants or contracts from various federal, state, and local agencies. Cornerstone Housing North, Inc. (a New Hampshire nonprofit corporation) was incorporated under the laws of the State of New Hampshire for the acquisition, construction and operation of community based housing for the Elderly.

Nature of activities

The Organization's programs consist of the following:

Agency

Tri-County CAP Administration provides central program management support and oversight to our many individual programs. This includes planning and budget development, bookkeeping and accounting, payroll and HR services, legal and audit services, IT support, management support, financial support and central policy development.

Tri-County CAP Administration is the liaison between Tri-County Community Action Program, Inc., Board of Directors and its programs, ensuring that programs comply with agreements made by the Board to funding sources and vendors.

Other responsibilities include the management and allocation of funding received through a Community Services Block Grant, as well as management of the Organization's real estate property.

Head Start

Head Start serves hundreds of children and their families in multiple classrooms and locations throughout three counties. Research demonstrates that children who are healthy learn better. Due to this fact, parents in our program receive assistance in completing medical and dental exams for their children. To further assist in breaking the cycle of poverty, each family enrolled in Head Start receives assistance in completing a family needs assessment, and subsequent support in achieving their self-sufficiency and personal improvement goals.

Guardianship

The Organization's Guardianship program provides advocacy and guardian services for the vulnerable population of New Hampshire residents (developmentally disabled, chronically mentally ill, traumatic brain injury, and the elderly suffering from Alzheimer's, dementia, and multiple medical issues) who need a guardian and who have no family member or friend willing, able, or suitable to serve in that capacity.

Transportation

The Organization's transit program provides various transportation services: public bus routes, door-to-door service by request, long distance medical travel to medical facilities outside our regular service area, and special trips for the elderly to go shopping and enjoy other activities that are located outside the regular service area. The Organization's fleet of 18 wheelchair accessible vehicles offers transportation options to the elderly and disabled, as well as to the general public.

Volunteer

Coos County Retired & Senior Volunteers Program (RSVP) maintains a minimum corps of 330 volunteers, ages 55 and older. These volunteers share their skills, life experiences, and time with over 50 local non-profit and public agencies throughout Coos County that depend on volunteer assistance to meet the needs of their constituents. Our volunteers donate over 50,000 hours yearly.

Workforce Development

The Organization is assisting transitional and displaced workers as they prepare for new jobs, and also assisting currently-employed workers to gain the skills required for better jobs.

The Organization is helping to implement New Hampshire's Unified State Plan for Workforce Development, in line with the federal Workforce Investment Act. Workforce training programs, with training facilities in three towns, provide temporary assistance for needy family (TANF) recipients with 20-30 hours per week of training in the areas of employment skills, computer skills, and business experience, and also place participating TANF recipients in community-based work experience sites.

Alcohol & Other Drugs (AOD)

Services provided through the AOD program include assisting the alcoholic/addicted person on the road to recovery, through three phases: Crisis Intervention, Sobriety Maintenance, and Assessment and Referral to appropriate treatment facilities. The Residential Treatment Programs (Friendship House) provide chemically dependent individuals with the fundamental tools of recovery, including educational classes, group and individual counseling, work and recreational therapy, and attendance at in-house and community-based alcoholics anonymous and narcotics anonymous meetings. The AOD program also offers assistance with its impaired driver programs.

The Friendship House, in December of 2014, had approximately \$130,000 worth of investments and improvements due to assistance from Public Services of New Hampshire.

Carroll County Dental

The Tamworth Dental Center (the Center) offers high quality oral health care to children with NH Medicaid coverage. The Organization also serves uninsured and underinsured children and adults using a sliding fee scale that offers income-based discounts for care. The Center accepts most common dental insurances for those who have commercial dental insurance coverage. A school-based project of the Dental Center, School Smiles, offers oral health education, screening, treatment and referrals for treatment to over 1,000 children in 9 schools in the vicinity of the Center.

Carroll County Restorative Justice

The Organization's restorative justice program provides comprehensive alternatives to traditional court sentencing and dispute resolution within the framework of Balanced and Restorative Justice. Two key components of this process are personal accountability for one's actions (diversion) and alternative conflict resolution (mediation). Services are provided by in-house staff, volunteers, and partnered relations with other local service providers. Subsequent to year end, the Division was suspended.

Support Center

The Organization's Support Center at Burch House provides direct service and shelter to victims and survivors of domestic and sexual violence and stalking in Northern Grafton County. Support Center services are accessible 24 hours a day, 365 days a year. They include: crisis intervention; supportive counseling; court, hospital and policy advocacy and accompaniment; emergency shelter; support groups; community education and outreach; violence prevention programs for students; information, referrals and assistance accessing other community resources.

Homeless

Homeless services include an outreach intervention and prevention project that strives to prevent individuals and families from becoming homeless, and assists the already homeless in securing safe, affordable housing. The Organization provides temporary shelter space for homeless clients. The Organization also provides some housing rehabilitation services to help preserve older housing stock.

Energy and Development, and Community Contact

Energy programs provide fuel assistance, electric assistance, utility conservation, and weatherization measures including insulation, air-sealing, energy efficient lighting and refrigerators, hot water conservation measures, minor home repairs, and replacement windows and doors.

Community Contact sites allow local participants access to energy assistance programs and other emergency services. The offices provide information to the Organizations' clients about their other programs, as well as other programs available through other organizations in the community. The Organization consolidated its eight Community contact Offices to one office per county, located in Berlin (Coos), Ashland (Grafton) and Tamworth (Carroll). Clients may submit applications for assistance via e-mail, mail, phone, fax, or face-to-face intake appointments at one of the three offices. Community Contact has schedule site outreach in Lancaster, Lebanon, Woodsville and Colebrook; a schedule is published in the local papers listing the days and locations on a monthly basis. The Carroll County's office has been successful serving the needs of clients with this model for over ten years.

Elder

The Organization's Elder program provides senior meals in 15 community dining sites, home-delivered meals (Meals on Wheels) to the frail and homebound elderly, and senior nutrition education and related programming. The Coos County ServiceLink Aging & Disability Resource Center assists with Medicare counseling, Medicaid assistance, long-term care counseling services, and caregiver supports.

Housing Services

Cornerstone Housing North, Inc. is subject to a Project Rental Assistance Contract (PRAC) with the United States Department of Housing and Urban Development, and a significant portion of their rental income is received from the Department of Housing and Urban Development. The Organization includes a 12 unit apartment complex in Berlin, New Hampshire for the elderly. This operates under Section 202 of the National Housing Act and is regulated by the U.S. Department of Housing and Urban Development (HUD) with respect to the rental charges and operating methods. For Cornerstone Housing North, Inc., the rental income is part of the same program as the Section 202 Capital Advance and is considered a major program.

Method of accounting

The financial statements of Tri-County Community Action Program, Inc. have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Under this basis, revenue, other than contributions, and expenses are reported when incurred without regard to the date of receipt or payment of cash.

Basis of presentation

Financial statement presentation follows the recommendations of the FASB in its Accounting Standard Codification No. 958 *Financial Statements of Not-For-Profit Organizations*. Under FASB ASC No. 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The Organization had no permanently restricted net assets at June 30, 2015. The Organization had temporarily restricted net assets of \$745,910 at June 30, 2015.

Restricted and unrestricted support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unrestricted net assets include revenues and expenses and contributions which are not subject to any donor imposed restrictions. Unrestricted net assets can be board designated by the Board of Directors for special projects and expenditures.

Temporarily restricted net assets include contributions for which time restrictions or donor-imposed restrictions have not yet been met. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Permanently restricted net assets include gifts which require, by donor restriction, that the corpus be invested in perpetuity and only the income or a portion thereof (excluding capital gains restricted by State statute) be made available for program operations in accordance with donor restrictions. The Organization had no permanently restricted net assets at June 30, 2015.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. The accounting standards for fair values establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The hierarchy is classified into three levels based on the reliability of inputs as follows:

Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2: Valuation is determined from quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in markets that are not active or by model-based techniques in which all significant inputs are observable in the market.

Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The degree of judgment exercised in determining fair value is greatest for instruments categorized as Level 3.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, the type of asset/liability, whether the asset/liability is established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, assumptions are required to reflect those that market participants would use in pricing the asset or liability at the measurement date.

As disclosed in **Note 6**, the note payable which bears monthly interest of 69% of the sum of the one month London Interbank Offered Rate (LIBOR) plus 3.25%, when the Organization's debt service coverage ratio is 1.10; or 3.00% when the Organization's debt service coverage ratio is 1.20 includes an interest rate swap agreement. The Organization's purpose in entering into a swap arrangement was to hedge against the risk of interest rate increases on the related variable rate debt and not to hold the instrument for trading purposes. The Organization pays interest at a fixed 3.85%. The arrangement is scheduled to expire on August 2040. The notional amount of the contract was \$3,145,412. Accordingly, the swap arrangement, which is a derivative financial instrument, is classified as a cash flow hedge and is valued at the net present value (NPV) of all estimated future cash flows.

For the year ended June 30, 2015, the fair value of the interest rate swap was \$7,385 and the unrealized gain was \$42,327. The fair value of the swap is included on the balance sheet as a long term liability. No amounts have been reclassified as interest expense and based upon the Organization's intent to hold the derivative until expiration they do not expect to reclassify any unrealized gains or losses to interest expense.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Most of the receivables are amounts due from federal and state awarding agencies and are based upon reimbursement for expenditures made under specific grants or contracts. A portion of the accounts receivable balance represents amounts due from patients at Carroll County Dental and participants in the alcohol and other drug treatment programs. Past due receivables are written off at management's discretion using the direct write off method; this is not considered a departure from accounting principles generally accepted in the United State because the effects of the direct write method approximate those of the allowance method. Management selects accounts to be written off after analyzing past payment history, the age of the accounts receivable, and collection rates for receivables with similar characteristics, such as length of time outstanding. The Organization does not charge interest on outstanding accounts receivable.

Property and Depreciation

Acquisitions of buildings, equipment, and improvements in excess of \$5,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Buildings, equipment, and improvements are stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Depreciation expense related to assets used solely by an individual program is charged directly to the related program. Depreciation expense for assets used by more than one program is charged to the program based upon a square footage or other similar allocation. Depreciation expense related to administrative assets is included in the indirect cost pool and charged to the programs in accordance with the indirect cost plan. Maintenance and repairs are charged to expense as incurred.

Estimated useful lives are as follows:

| | |
|----------------------------|----------------|
| Buildings and Improvements | 20 to 40 years |
| Vehicles | 5 to 8.5 years |
| Furniture and Equipment | 5 to 15 years |

Client Rents and HUD Rent Subsidy

Cornerstone Housing North, Inc.'s rents are approved on an annual basis by the Department of Housing and Urban Development. Rental increases are prohibited without such approval. The clients are charged rent equal to 30% of their income less adjustments allowed by the Department of Housing and Urban Development. Rent subsidies are received from the Department of Housing and Urban Development for the difference between the allowed rents and the amounts received from the clients.

Refundable Advances

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services or expenditures are performed or incurred. Funds received in advance of grantor conditions being met aggregated \$191,343 as of June 30, 2015.

Nonprofit tax status

The Organization is a *not-for-profit* Section 501(c)(3) organization of the Internal Revenue Code. It has been classified as an Organization that is not a private foundation under the Internal Revenue Code and qualifies for a charitable contribution deduction for individual donors. The Organization files information returns in the United States. The Organization is no longer subject to examinations by tax authorities for years prior to 2011.

The Organization follows FASB ASC, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. The Organization does not believe they have taken uncertain tax positions, therefore, a liability for income taxes associated with uncertain tax positions has not been recognized.

The Organization's Federal Form 990 (Return of Organization Exempt from Income Tax), is subject to examination by the IRS, generally for three years after it is filed.

Cornerstone Housing North, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined the Organization to be other than a private foundation within the meaning of Section 509(a).

Retirement plan

The Organization maintains a tax sheltered annuity plan under the provisions of Section 403(b) of the Internal Revenue Code. All employees are eligible to contribute to the plan beginning on the date they are employed. Each employee may elect salary reduction agreement contributions in accordance with limits allowed in the Internal Revenue Code. Employer contributions are at the Organization's annual discretion. In January 2013, payments had ceased, therefore as of June 30, 2015, there were no discretionary contributions recorded. Further information can be obtained from the Organization's 403(b) audited financial statements.

Donated services and goods

Contributed noncash assets are 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. In the absence of such stipulations, contributions of noncash assets are recorded as unrestricted support.

Donated property and equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at the net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in the contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

As of June 30, 2015, there were promises to give that were absent of donor stipulations and therefore classified as temporarily restricted in the amount of \$247,754. This amount was included in the grants and contracts on the Consolidated Statement of Activities.

Use of estimates

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments

Accounting Standards Codification No. 825 (ASC 825), *Disclosures of Fair Value of Financial Instruments*, requires the Organization to disclose fair values of its financial instruments. The carrying amount of the Organization's financial instruments which consists of cash, accounts receivable, deposits and accounts payable, approximate fair value because of the short term maturity of those instruments.

Functional allocation of expenses

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

Program salaries and related expenses are allocated to the various program and supporting services based on actual or estimated time employees spend on each function as reported on a timesheet.

Workers Compensation expenses are charged to each program based upon the classification of the each employee and allocated to the various program based upon the time employees spend on each function as noted above.

Paid Leave is charged to a leave pool and is allocated to each program as a percentage of total salaries.

Fringe Benefits are charged to a Fringe Benefit Pool. These expenses include employer payroll taxes, pension expenses, health and dental insurance and unemployment compensation. The pool is allocated to each program based upon a percentage of salaries.

Depreciation expense is allocated to each program based upon specific assets used by the program and is reported as depreciation expense on the supplemental statements of functional expenses.

Other Occupancy expense: expenses are applicable to assets which are used by multiple programs, primarily buildings are charged to the benefiting program based upon an analysis of square footage. Costs related to a building include depreciation, insurance, utilities, building maintenance, etc. These costs are reported as space costs on the supplemental statements of functional expenses.

Insurance: automobile insurance is allocated to programs based on vehicle usage; building liability insurance is allocated to programs based on square footage of the buildings; and insurance for furniture and equipment is allocated to programs using the book basis of the insured assets.

The remaining shared expenses are charged to an Indirect Cost Pool and are allocated to each program based upon a percentage of program expenses. The expenses include items such as administrative salaries, general liability insurance, administrative travel, professional fees and other expenses which cannot be specifically identified and charged to a program.

The Organization submits an indirect cost rate proposal for the paid leave, fringe benefits and other indirect costs to the U.S. Department of Health and Human Services. The proposal effective for the fiscal year beginning July 1, 2013 received provisional approval and is effective until amended at a rate of 12.3%. Per an email with a representative from the U.S. Department of Health and Human Services, the Agency reduced the rate to 12.2% for the year ended June 30, 2015.

Advertising policy

The Organization uses advertising to inform the community about the programs it offers and the availability of services. Advertising is expensed as incurred. The total cost of advertising for the year ended June 30, 2015 was \$18,009.

NOTE 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, funds on deposit with financial institutions, and investments with original maturities of three months or less. At year end and throughout the year, the Organization's cash balances were deposited with multiple financial institutions. At June 30, 2015, the balances on interest and non-interest bearing accounts were insured by the FDIC up to \$250,000. At June 30, 2015, there was approximately \$395,443 of deposits held in excess of the FDIC limit. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents and considers this a normal business risk.

Cash Restrictions

The Organization is required to maintain a deposit account with a bank as part of the loan security agreement disclosed at **Note 6**. The required balance in the account is \$52,497 and is restricted from withdrawal except to make payments of debt service or as approved by the US Department of Agriculture. Amounts withdrawn to make payments of debt service must be replenished with monthly deposits until the maximum required deposit balance is achieved. The balance as of June 30, 2015 was \$11,135. The Organization was not in compliance with this requirement however, in May 2013, the client began making the required monthly deposits. The Organization has made all of their scheduled deposits for the year ended June 30, 2015. This amount is included in restricted cash on the Statement of Financial Position.

The Organization is required to maintain a deposit account with another bank as part of a bond issue (see bond payable in **Note 6**). The required balance in the account is \$186,516 and is equal to the interest payments on the bond for a 12 month period. The balance as of June 30, 2015 was \$186,721, and the Organization was in compliance with this requirement. This amount is included in restricted cash on the Statement of Financial Position.

The Organization maintains a deposit account on behalf of clients who participate in the Guardianship Services Program. The balance in the account is restricted for use on behalf of these clients and an offsetting liability is reported on the financial statements as other current liabilities. The total current liability related to this withdrawal at June 30, 2015 was \$276,791. These amounts are included in other liabilities on the Statement of Financial Position. The total restricted cash within this account at June 30, 2015 was \$271,547, and is included in the restricted cash balance on the Statement of Financial Position. The Organization was assessed a fee of \$5,244 related to the unauthorized use of these funds in prior years. This amount was still outstanding at June 30, 2015 as no official notice or request for payment had been received by the Organization.

All cash related to Cornerstone Housing North, Inc. is restricted for certain uses in the Organization under rules and regulations prescribed by the Department of Housing and Urban Development. The total amount restricted at June 30, 2015 was \$70,992.

NOTE 3. INVENTORY

In 2015, inventory included weatherization materials which have been purchased in bulk. These items are valued at the most recent cost. A physical inventory is taken annually. Cost is determined using the first-in, first-out (FIFO) method. Inventory at June 30, 2015, consists of weatherization materials totaling \$116,150. The inventory related to the Northern Forest Heritage Park was considered to be in poor condition and not saleable. The inventory was written off in April 2015.

NOTE 4. PROPERTY

Property consists of the following at June 30, 2015:

| | <u>Capitalized Cost</u> | <u>Accumulated Depreciation</u> | <u>Net Book Value</u> |
|-----------|------------------------------------|--|----------------------------------|
| Building | \$10,599,723 | \$ 3,018,512 | \$ 7,581,211 |
| Equipment | 2,176,915 | 1,570,013 | 606,902 |
| Land | <u>691,467</u> | <u>-</u> | <u>691,467</u> |
| | <u>\$13,468,105</u> | <u>\$ 4,588,525</u> | <u>\$ 8,879,580</u> |

The Organization has use of computers and equipment which are the property of state and federal agencies under grant agreements. The equipment, whose book value is immaterial to the financial statements, is not included in the Organization's property and equipment totals.

Depreciation expense for the year ended June 30, 2015 was \$482,262.

The Organization also had building refinancing costs of \$17,730 during the prior year. Amortization expense and accumulated amortization for the year ended June 30, 2015 was \$887 and \$2,365, respectively.

NOTE 5. ACCRUED EARNED TIME

Employees of the Organization are eligible to accrue vacation for a maximum of 240 hours. At June 30, 2015, the Organization had accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$332,024.

NOTE 6. LONG TERM DEBT

The long term debt of the Organization as of June 30, 2015 consisted of the following:

| | |
|--|------------|
| Note payable with the USDA requiring 360 monthly installments of \$1,746 including interest at 4.5% per annum. Secured by general business assets. Final installment due June 2024. | \$ 133,110 |
| Note payable with the USDA requiring 360 monthly installments of \$1,664 including interest at 5% per annum. Secured by general business assets. Final installment due January 2027. | 174,527 |
| Note payable with the USDA requiring 360 monthly installments of \$292 including interest at 4.75% per annum. Secured by general business assets. Final installment due April 2030. | 33,651 |
| Note payable with the USDA requiring 360 monthly installments of \$74 including interest at 4.75% per annum. Secured by general business assets. Final installment due June 2029. | 9,061 |

| | |
|--|-----------|
| Note payable with a bank requiring 120 monthly installments of \$475 including interest at 4.25% per annum. Secured by a first mortgage on a business condo. Final installment due December 2015. | 2,820 |
| Note payable with a bank requiring 120 monthly installments of \$3,799 including interest at 6.75% per annum. Secured by first mortgages on two commercial properties. Final installment due April 2021. | 444,989 |
| Note payable to a related party, interest accrues 10% per annum, no monthly installments, full principal amount plus interest is due August 2012, informally extended. | 12,578 |
| Note payable to a non-profit organization (related party), interest accrues 5% per annum, no monthly installments, full principal plus interest due during the Organization's fiscal year end 2013, informally extended. | 120,147 |
| Bond payable with a bank requiring monthly installments of \$15,260 including interest adjusted by a swap agreement with a fixed rate of 3.85%, adjusted by the difference between the fixed amount and a rate of interest equal to 69% of the sum of the 1 month LIBOR rate plus 3.25% (when the Organization's debt service coverage ratio is 1.10) or 3.00% (when the Organization's debt service coverage ratio is 1.20). Secured by first commercial real estate mortgage on various properties and assignment of rents at various properties. Final installment due August 2040. | 2,948,780 |
| Note payable with a bank requiring 240 monthly installments of \$4,518 including interest at 4.16% per annum. Secured by second mortgage on commercial property. Final installment due December 2032. | 462,878 |
| Cornerstone Housing North, Inc. capital advance due to the Department of Housing and Urban Development. This capital advance is not subject to interest or principle amortization and will be forgiven after 40 years, or on August 1, 2047. | 1,617,600 |

Cornerstone Housing North, Inc. mortgage payable due to New Hampshire Housing Finance Authority. The mortgage is not subject to interest or principle amortization. Payments are deferred for 40 years.

| | |
|--|---------------------|
| | <u>250,000</u> |
| | 6,210,141 |
| Less current portion due within one year | <u>(271,685)</u> |
| Total long term debt | <u>\$ 5,938,456</u> |

The scheduled maturities of long term debt as of June 30, 2015 were as follows:

| <u>Years ending June 30</u> | <u>Amount</u> |
|---------------------------------|---------------------|
| 2016 | \$ 271,685 |
| 2017 | 142,297 |
| 2018 | 541,085 |
| 2019 | 129,965 |
| 2020 | 135,963 |
| Thereafter | <u>4,989,146</u> |
| | <u>\$ 6,210,141</u> |

As described at **Note 2**, the Organization is required to maintain a reserve account with a bank for the first six notes payable listed above. In May 2013, the Organization began making monthly deposits to the reserve account, but had not yet accumulated the required balance. Failure to meet this requirement may be construed by the Government to constitute default; however, the awarding agency is aware of this issue and has not made a request for advanced payment. The balance in this account as of June 30, 2015 was \$11,135.

Subsequent to year end, the Agency purchased two vehicles with note payables totaling \$38,284. The future scheduled maturities of long term debt for these two vehicles are as follows:

| <u>Years ending June 30</u> | <u>Amount</u> |
|---------------------------------|------------------|
| 2016 | \$ 4,828 |
| 2017 | 5,809 |
| 2018 | 6,138 |
| 2019 | 6,485 |
| 2020 | 6,852 |
| Thereafter | <u>8,172</u> |
| | <u>\$ 38,284</u> |

NOTE 7. DEMAND NOTE PAYABLE

The Organization has available a \$45,000 unsecured line of credit with Northway Bank. Borrowings under the line bear interest at 6.50% per annum, and totaled \$28,045 at June 30, 2015.

The Organization has available a \$750,000 line of credit with TD Bank which was secured with real estate mortgages and assignments of leases and rents on various properties as disclosed in the line of credit agreement. Borrowings under the line bear interest at 4.25% per annum, and totaled \$400,000 at June 30, 2015. The line is subject to renewal each January.

The Organization has available a \$25,000 line of credit with Bank of New Hampshire which is secured with all business assets of the Northern Forest Heritage Park. Borrowings under the line bear interest at 4.25% per annum, and totaled \$15,509 at June 30, 2015. The Northern Forest Heritage Park was sold subsequent to fiscal year end, at which time the line of credit was paid off in full.

The Organization was issued an unsecured revolving line of credit in 2014 with the New Hampshire Department of Administration Services. On June 30, 2015, the outstanding debt totaled \$256,698, which included accrued interest of \$5,860.

NOTE 8. LEASES

Operating Leases

The Organization has entered into numerous lease commitments for space. Leases under non-cancelable lease agreements have various starting dates, lengths, and terms of payment and renewal. Additionally, the Organization has several facilities which are leased on a month to month basis. For the year ended June 30, 2015, the annual rent expense for leased facilities was \$180,867.

Minimum future rental payments under non-cancelable operating leases having initial terms in excess of one year as of June 30, 2015, are as follows:

| Years ending <u>June 30</u> | <u>Amount</u> |
|--|----------------------|
| 2016 | \$ 139,374 |
| 2017 | 92,385 |
| 2018 | 82,127 |
| 2019 | 68,688 |
| 2020 | 34,974 |
| Thereafter | <u>247,027</u> |
| | <u>\$ 664,575</u> |

NOTE 9. IN-KIND CONTRIBUTIONS

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

The Organization records the value of in-kind contributions according to the accounting policy described in **Note 1**. The Head Start, Transportation and Elder Programs rely heavily on volunteers who donate their services to the Organization. These services are valued based upon the comparative market wage for similar paid positions. The Organization is also the beneficiary of a donation of in kind in the form of below market rent for some of the facilities utilized by the Head Start and Elder Programs. The value of the in-kind rent is recorded at the difference between the rental payment and the market rate for the property based upon a recent appraisal.

Many other individuals have donated significant amounts of time to the activities of the Organization. The financial statements do not reflect any value for these donated services since there is no reliable basis for making a reasonable determination.

NOTE 10. CONCENTRATION OF RISK

Tri-County Community Action Program, Inc. receives a large majority of its support from federal and state governments. For the year ended June 30, 2015, approximately \$12,900,000 (73%) of the Organization's total revenue was received from federal and state governments. If a significant reduction in the level of support were to occur, it would have a significant effect on the Organization's programs and activities.

Cornerstone Housing North, Inc. receives a large majority of its support from the U.S. Department of Housing and Urban Development. For the year ended June 30, 2015 approximately 69% of the Organizations total revenue was derived from the U.S. Department of Housing and Urban Development. In the absence of additional revenue sources, the future existence of Cornerstone Housing North, Inc. is dependent upon the funding policies of the U.S. Department of Housing and Urban Development.

The majority of Cornerstone Housing North, Inc.'s assets are apartment projects, for which operations are concentrated in the elderly person's real estate market. In addition, the Organization operates in a regulated environment. The operation of the Organization is subject to administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the administrative burden, to comply with the change.

NOTE 11. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following specific program services as of June 30, 2015:

| | |
|--|-------------------|
| NH Charitable Foundation Grant, Mt. Jasper | \$ 32,653 |
| Berlin Area Renewable Energy Initiative | 7,281 |
| RSVP Program Funds | 7,112 |
| 10 Bricks Shelter Funds | 122,252 |
| Donations to Mahoosuc Trail | 6,842 |
| Community Contact | 15,040 |
| Donations to Maple Fund | 1,825 |
| FAP/EAP | 38,117 |
| Homeless Programs | 47,677 |
| Temporary Municipal Funding | 247,754 |
| Julien Fund (AOD) | 575 |
| Angelias Fund (AOD) | 235 |
| Loan Programs | 36,291 |
| Private Funding for Alcohol and Other Drug Program | 50,000 |
| L. CHIP – Brown Co. House | 19,443 |
| Restricted Buildings | <u>112,813</u> |
| Total temporarily restricted net assets | <u>\$ 745,910</u> |

NOTE 12. COMMITMENTS AND CONTINGENCIES

Grant Compliance

The Organization received funds under several federal and state grants. Under the terms of the grants the Organization is required to comply with various stipulations including use and time restrictions. If the Organization was found to be noncompliant with the provisions of the grant agreements, the Organization could be liable to the grantor or face discontinuation of funding.

Environmental Contingencies

On March 30, 2009 the Organization's Board of Directors agreed to secure ownership of a 1.2-acre site located in Berlin, New Hampshire. There are 2 buildings on this site designated as the East Wing and West Wing Buildings which were formerly used as a research and development facility for the Berlin Mills Company. The exterior soil and interior parts of the East Wing Building contained contaminants which required environmental remediation. In a letter dated May 2, 2012, the State of New Hampshire Department of Environment Services (the Department) noted that the remedial actions for the exterior soils and parts of the East Wing Building had been completed to the Department's satisfaction.

In addition, the Department noted that the contaminants related to the West Wing Building did not pose an exposure hazard to site occupants, area residents, and the environment provided the West Wing Building is maintained to prevent further structural deterioration. If further deterioration occurs and contaminants are released into the environment, the Organization could be required to take additional action including containment and remediation.

NOTE 13. RELATED PARTY TRANSACTIONS

As disclosed in **Note 6**, the Organization has a loan payable to the wife of the former Chief Executive Officer. Also in **Note 6**, the Organization has a loan payable to a non-profit organization which also provides pass-through state and federal funding for some of the Organization's programs. See **Note 6** for terms of the note payables. Total notes payable to related parties for the year ended June 30, 2015 was \$132,725.

NOTE 14. RESIDUAL RECEIPTS ACCOUNT

Cornerstone Housing North, Inc.'s use of the residual receipts account is contingent upon HUD's prior written approval. The amount at June 30, 2015 was \$2,010 and is included in restricted cash.

NOTE 15. SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Non-recognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date, but arose after that date. Management has evaluated subsequent events through December 10, 2015, the date the financial statements were available to be issued.

Subsequent to year end, but before the date of this report, the Organization sold the Northern Forest Heritage Park. At that time, the associated line of credit was paid off in full. Also, subsequent to year end, the Organization discontinued the Restorative Justice Division.

Subsequent to year end, the Organization purchased two vehicles with long term debt. The long term debt of the two vehicles consisted of the following:

Note payable to a financing company requiring 72 monthly installments of \$312 including interest at 5.49% per annum. Secured by an Organization's vehicle. Final installment due August 2022. \$ 19,127

Note payable to a financing company requiring 72 monthly installments of \$1,664 including interest at 5.54% per annum. Secured by an Organization's vehicle. Final installment due July 2022. 19,157
38,284
Less current portion due within one year (4,828)

Total long term debt \$ 33,456

The future principle payments are included in **Note 6**.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

| Federal Grantor/Pass Through Grantor/Program Title | Pass-through Entity Identifying Number | Federal CFDA Number | Federal Expenditures |
|--|---|---------------------------|-------------------------|
| U.S. Department of Health and Human Services | | | |
| <i>Direct</i> | | | |
| Head Start | 01CH1041/48 | 93.600 | 2,261,736 |
| <i>Passed through New Hampshire Office of Energy and Planning</i> | | | |
| Low-Income Home Energy Assistance (Admin.) | 1033340 | 93.568 | 7,671 |
| Low-Income Home Energy Assistance (Assurance 16) | 1033340 | 93.568 | 34,456 |
| Low-Income Home Energy Assistance (Admin.) | G-15B1NHLIEA | 93.568 | 340,660 |
| Low-Income Home Energy Assistance (Program) | G-15B1NHLIEA | 93.568 | 5,145,190 |
| Low-Income Home Energy Assistance (Assurance 16) | G-15B1NHLIEA | 93.568 | 127,361 |
| Low-Income Home Energy Assistance (HRRP) | 1033553 | 93.568 | 28,315 |
| Low-Income Home Energy Assistance (HRRP) | G-14B1NHLIEA | 93.568 | 107,100 |
| Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (SEAS) | 15AANH3SP | 93.044 | 10,806 |
| <i>Passed through New Hampshire Health and Human Services</i> | | | |
| Community Services Block Grant | 102-500731 | 93.569 | 121,031 |
| Community Services Block Grant | 102-500731 | 93.569 | 511,218 |
| Temporary Assistance for Needy Families (NHEP Workplace Success) | | 93.558 | 309,724 |
| Temporary Assistance for Needy Families (JARC) | 102-500731 | 93.558 | 24,300 |
| Preventative Health and Health Services Block Grant (Oral Health Program) | 90072003 | 93.991 | 11,286 |
| Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services (Sr Oral Health) | 102-500731 | 93.043 | 3,150 |
| Special Programs for the Aging - Title III, Part C - Nutrition Services (HD Meals) | 541-500383 | 93.045 | 78,084 |
| National Family Caregiver Support (Family Caregiver) | | 93.052 | 20,965 |
| Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (Sr Wheels) | 512-500352 | 93.044 | 48,356 |
| Medical Assistance Program (Options Counseling and I&R #7) | | 93.778 | 70,951 |
| Medical Assistance Program (Transportation) | | 93.778 | 44,623 |
| Nutrition Services Incentive Program (NSIP) | | 93.053 | 79,843 |
| Social Services Block Grant (Title XX I&R) | | 93.667 | 9,269 |
| Social Services Block Grant (HD Title III C2 units) | | 93.667 | 176,038 |
| Social Services Block Grant (HD Title IIIB miles) | | 93.667 | 10,217 |
| Social Services Block Grant (Title XX HD miles) | | 93.667 | 4,513 |
| Special Programs for the Aging - Title III, Part C - Nutrition Services (Congregate Meals) | 541-50000383 | 93.045 | 85,467 |
| Affordable Care Act - Aging and Disability Resource Center (Options Counseling) | | 93.517 | 26,702 |
| Centers for Medicare and Medicaid Services (SHIP) | | 93.779 | 12,707 |
| Special Programs for the Aging - Title IV and Title II - Discretionary Projects (SMPP) | | 93.048 | 12,257 |
| Special Programs for the Aging - Title IV and Title II - Discretionary Projects (SMPP Capacity Building) | | 93.048 | 6,706 |
| Administration for Community Living - Medicare Enrollment Assistance Program (MIPPA) | | 93.071 | 2,405 |
| Centers for Medicare and Medicaid Services (Marketplace Assister Services) | | 93.525 | 34,357 |
| Centers for Medicare and Medicaid Services (Marketplace Assister Services) | | 93.525 | 11,947 |
| <i>Passed Through New Hampshire Coalition against Domestic and Sexual Violence</i> | | | |
| Family Violence Prevention and Services/Battered Women's Shelters - Grants to States and Indian Tribes (SPIRDV) | | 93.671 | 26,446 |
| Family Violence Prevention and Services/Battered Women's Shelters - Grants to States and Indian Tribes (DVS) | | 93.671 | 22,884 |
| <i>Passed through New Hampshire Division of Public Health Services</i> | | | |
| Block Grants for Prevention and Treatment of Substance Abuse | | 93.959 | 267,651 |
| <i>Passed through New Hampshire Division of Child Support Services</i> | | | |
| Projects for Assistance in Transition from Homelessness (PATH) | | 93.150 | 81,767 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES: | | | <u>10,176,139</u> |
| U.S. Department of Energy | | | |
| <i>Passed through Governor's Office of Energy and Community Services</i> | | | |
| Weatherization Assistance for Low-Income Persons | EE005169 | 81.042 | 16,658 |
| Weatherization Assistance for Low-Income Persons | EE008169 | 81.042 | 186,742 |
| Weatherization Assistance for Low-Income Persons | EE006169 | 81.042 | 74,663 |
| TOTAL U.S. DEPARTMENT OF ENERGY: | | | <u>268,063</u> |
| U.S. Corporation for National and Community Service | | | |
| <i>Direct</i> | | | |
| Retired and Senior Volunteer Program | 13SRANH001 | 94.002 | 66,717 |
| TOTAL U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE: | | | <u>66,717</u> |

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

| Federal Grantor/Pass Through Grantor/Program Title | Pass-through Entity Identifying Number | Federal CFDA Number | Federal Expenditures |
|--|---|---------------------------|-------------------------|
| <u>U.S. Department of Agriculture</u> | | | |
| <i>Direct</i> | | | |
| Supplemental Nutrition Assistance Program (food stamps) | | 10.551 | 3,230 |
| Rural Housing | | 10.433 | 2,110 |
| <i>Passed Through New Hampshire Department of Education</i> | | | |
| Child and Adult Care Food Program | | 10.558 | 99,635 |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE: | | | <u>104,975</u> |
| <u>U.S. Department of Homeland Security</u> | | | |
| <i>Direct</i> | | | |
| Emergency Management Performance Grants (FEMA) | 592200-001 | 97.042 | 8,392 |
| TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY: | | | <u>8,392</u> |
| <u>U.S. Department of Justice</u> | | | |
| <i>Passed through New Hampshire Coalition Against Domestic and Sexual Violence</i> | | | |
| Grants to Encourage Arrest Program (GTEAP) | 2014-WE-AX-003E | 16.590 | 2,173 |
| Crime Victim Assistance (VOCA) | | 16.575 | 71,084 |
| Sexual Assault Services Formula Program (SASP) | 2012-KF-AX-0021 | 16.017 | 8,364 |
| TOTAL U.S. DEPARTMENT OF JUSTICE: | | | <u>81,621</u> |
| <u>U.S. Department of Transportation</u> | | | |
| <i>Passed through New Hampshire Department of Transportation</i> | | | |
| Formula Grants for Rural Areas (Section 5311) | | 20.509 | 338,089 |
| Enhanced Mobility of Seniors and Individuals with Disabilities (5310 POS, NCC) | | 20.513 | 54,989 |
| Enhanced Mobility of Seniors and Individuals with Disabilities (5310 POS, MWVEC) | | 20.513 | 18,961 |
| TOTAL U.S. DEPARTMENT OF TRANSPORTATION: | | | <u>412,039</u> |
| <u>U.S. Department of Housing and Urban Development</u> | | | |
| <i>Passed through New Hampshire Office of Family Services</i> | | | |
| Emergency Solutions Grant Program | | 14.231 | 32,512 |
| Supportive Housing Program (HOIP) | | 14.235 | 127,553 |
| <i>Passed through the City of Berlin</i> | | | |
| Community Development Block Grant | | 14.228 | 20,482 |
| <i>Passed through New Hampshire Health and Human Services thru Southwestern Community Services</i> | | | |
| Emergency Solutions Grant Program (Rapid Re-Housing and Prevention) | | 14.231 | 393 |
| TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT: | | | <u>180,940</u> |
| <u>U.S. Department of Labor</u> | | | |
| <i>Passed through New Hampshire Department of Labor</i> | | | |
| WIA Adult Program | 2014-0004 | 17.258 | 64,099 |
| WIA Dislocated Worker Formula Grants | 2014-0004 | 17.278 | 63,090 |
| TOTAL U.S. DEPARTMENT OF LABOR: | | | <u>127,189</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 11,446,075</u> |

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Tri-County Community Action Program, Inc. under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Tri-County Community Action Program, Inc., it is

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

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

To the Board of Directors of
Tri-County Community Action Program, Inc.
Berlin, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tri-County Community Action Program, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 10, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Leone, McDonnell & Roberts
Professional Association

December 10, 2015
North Conway, New Hampshire

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**Leone,
McDonnell
& Roberts**

PROFESSIONAL ASSOCIATION

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

CERTIFIED PUBLIC ACCOUNTANTS

WOLFEBORO • NORTH CONWAY

DOVER • CONCORD

STRATHAM

To the Board of Directors of
Tri-County Community Action Program, Inc.
Berlin, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited Tri-County Community Action Program Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Tri-County Community Action Program Inc.'s major federal programs for the year ended June 30, 2015. Tri-County Community Action Program Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Tri-County Community Action Program Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tri-County Community Action Program Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Tri-County Community Action Program Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Tri-County Community Action Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Tri-County Community Action Program, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Tri-County Community Action Program Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tri-County Community Action Program, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Leone, McDonnell & Roberts
Professional Association

December 10, 2015
North Conway, New Hampshire

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

1. The auditors' report expresses an unmodified opinion on the consolidated financial statements of Tri-County Community Action Program, Inc.
2. No significant deficiencies relating to the audit of the consolidated financial statements are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the consolidated financial statements of Tri-County Community Action Program, Inc. which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs during the audit are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditors' report on compliance for the major federal award programs for Tri-County Community Action Program, Inc. expresses an unmodified opinion on all major programs.
6. There were no audit findings which the auditor would be required to report under section 510(a) of OMB Circular A-133.
7. The programs tested as major programs included:
 - U.S. Dept. of Health & Human Services, Low Income Home Energy Assistance – CFDA #93.568
 - U.S. Dept. of Health & Human Services, Heat Start – CFDA #93.600
 - U.S. Department of Energy, Weatherization Assistance for Low-Income Persons – CFDA #81.042
 - U.S. Dept. of Health & Human Services, Block Grants for Prevention and Treatment of Substance Abuse – CFDA #93.959
 - U.S. Department of Transportation, Formula Grants for Rural Areas – CFDA #20.509
 - U.S. Dept. of Agriculture, Child and Adult Care Food Program – CFDA #10.558
8. The threshold for distinguishing Type A and B programs was \$343,382.
9. Tri-County Community Action Program, Inc. was determined not to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Financial Statement Audit

FS-2014-001

Condition: The Organization records their monthly receivables based on the invoicing done by the Program Directors. The non-contract billings are recorded as miscellaneous receivables for the year-end balance. Management reviews subsequent cash receipts to capture any payments that may have been overlooked by a Program Director when completing their reports for year end.

A system needs to be developed to ensure that all financial information, including the receivable balances and estimates for allowance for doubtful accounts, is captured and reported in the financial statements.

Recommendation: The Organization should design and implement policies and procedures for the recording, reporting and collection of all receivables.

Prior Year Management Response: Management agrees with this finding. Due to the structure of the Organization, billing needs to be initiated by the program departments after reviewing their monthly results from their records and the Organization's accounting system. The Finance Department reviews the revenue and expense reports to review for flags (such as budget variances) that indicate possible unbilled items due to an unexpected revenue and expense imbalance. Monthly inquiries are made of Department Directors to ask about potential unbilled items. Written procedures will be created for Directors and/or their designees to follow to help prevent missed billings, receivable adjustments, and/or the accrual of as yet unbilled but earned receivables.

Current Status: During our testing, we noted that there were proper policies and procedures in place for the recording, reporting and collection of all receivables. Corrected.

FS-2014-002

Condition: The Organization failed to comply with the requirements to report net assets as unrestricted, temporarily restricted, and permanently restricted.

The Organization needs to have a process in place to identify restrictions on grants and donations, as well as monies received from Federal funds.

Recommendation: The Organization needs to develop a policy to properly record the donations and grants to the appropriate net asset classification.

Prior Year Management Response: Management agrees with this finding. The predecessor auditor and former fiscal management had discussions related to the treatment of the net asset section. The Organization decided to seek and utilize the guidance of the predecessor auditor. Before this finding current management was reviewing and questioning the prior recommended net asset classifications. After review of documentation and consulting with the current auditors, the current management concurs that net assets need to be classified differently and that specific written instructions are required to insure proper classification in the future. Subsequent to June 30, 2014, management analyzed the net asset balances and posted adjustments to properly classify net assets by restriction at June 30 2014.

Current Status: Corrected.

FS-2014-003

Condition: The Organization failed to design and implement procedures to control and monitor the use of a certain bank account and the proper recording of another account.

Controls over the bank accounts must be designed and implemented to prevent, or detect and correct, errors including misappropriations. A lack of internal control procedures over the Organization's bank accounts, noted above, and the reconciliation of those accounts.

One bank account was not properly recorded in the Organization's general ledger, resulting in an adjustment to the trial balance. Another bank account was reported on a cash basis, rather than an accrual basis, and had to be adjusted accordingly.

Recommendation: Management should further improve controls over the bank accounts in order to ensure that they are being reported properly.

Prior Year Management Response: Management agrees with this finding. Although immaterial to the financial statements in this instance, Management agrees that all bank accounts need to be recorded and reconciled properly due to the responsibility related to the custody of these cash assets. The Organization has corrected the issue related to both referenced accounts above and is performing further research to ensure no other such accounts have been omitted.

Current Status: Corrected.



30 Exchange Street, Berlin, N.H 03570
p: 603 752-7001 f: 603 752-7607
www.tccap.org
CEO: Michael Coughlin
CFO/COO: Robert G. Boschen, Jr.

**BOARD OF DIRECTORS
FY2016**

COÖS COUNTY

Board Chair
Sandy Alonzo
Teacher

Treasurer
Cathy Conway
Vice President- Economic
Development - NCIC

Secretary
Gary Coulombe
Firefighter

Andrew Lefebvre
Teacher

CARROLL COUNTY

Anne Barber
Attorney

Michael Dewar
Business Owner

Vice Chair
Dino Scala
Business Owner

Karolina Brzozowska
Rehab Specialist

GRAFTON COUNTY

Linda Massimilla
State Representative

Tricia Garrison
Student

Weatherization
(603) 752-7105

Administration
(603) 752-7001

AOD
(603) 752-7941



Community Contact
(603) 752-3248

R.S.V.P.
(603) 752-4103

Energy Programs
(603) 752-7100

Christopher W. Kempton, D.D.S.



Objective:

I am guided by a desire to be helpful and to put my skills to work.

Education:

Broward Community College, Davie, Florida

1973-1975

University of Florida, Gainesville, Florida

1977-1979

Emory University School of Dentistry, Atlanta GA

National Health Service Scholar and Advocate at Emory University

1979-1984

Work History:

Southside Medical Center, Atlanta, GA

1985-2007

Families First Health and Support Center, Portsmouth, NH

2007-2009

Aspen Dental, Concord and Rochester, NH

2009-2010

Tamworth Dental Center, Tamworth, NH

2010 to Present

Hillsborough County Department of Corrections, Manchester, NH

2013 to Present

Memberships:

North Country Dental Society

New Hampshire Dental Society

American Dental Association

Crystal Buswell, RDH



EDUCATION

1997 Kingswood Regional High School Wolfeboro, NH
1997 Region #9 Vocational Center
2004 New Hampshire Technical Institute
Associates Degree in Science with a major in Dental Hygiene
2005 New Hampshire Technical Institute - Local Anesthesia

LICENSURE

New Hampshire Dental Hygiene License
New Hampshire Local Anesthesia License
Maine Dental Hygiene License
Nation Board Dental Examination (written 2004)
N.E.R.B. Dental Hygiene Examination (clinical 2004)

EMPLOYMENT

2009-Present Tamworth Dental Center

Dental Hygienist: perform prophylaxis, periodontal scaling and root planing, administer local anesthesia, oral hygiene education, radiographs, sealants, fluorides with occasional dental assisting.

2006-Present Conway Village Dental Conway, NH

Dental Hygienist: perform prophylaxis, periodontal scaling and root planing, administer local anesthesia, oral hygiene education, radiographs, sealants, fluorides with occasional dental assisting.

2006-2007 Silva Family Dentistry Wolfeboro, NH

Dental Hygienist: perform prophylaxis, periodontal scaling and root planing, administer local anesthesia, oral hygiene education, radiographs, sealants, fluorides, bleaching instruction. Occasional assisting and reception with related paperwork and scheduling. Proficient with Eaglesoft computer dental program.

2004-2006 Thomas Shealy, DMD Stratham, NH

Dental Hygienist: perform prophylaxis, periodontal scaling and root planing, oral hygiene education, radiographs, sealants and fluorides. Proficient with Dentrix Software.

2004-2005 George Gaillardetz, DMD Wolfeboro, NH

Dental Hygienist: perform prophylaxis, periodontal scaling and root planing, oral hygiene education, radiographs, sealants and fluorides. Proficient with Practice Works Software.

1997-2002 White Mountain Community Health Ctr Wolfeboro & Conway,

Administrative & Medical Assistant, HIV test counselor, Phlebotomist, Medication Bridge Interim Program Director. Providing many general office and clinical support duties.

REFERENCES

Available upon request

Tri-County Community Action Program Inc.

Key Personnel

| Name | Job Title | Salary | % Paid from this Contract | Amount Paid from this Contract |
|-------------------------|-------------------------|-----------|---------------------------|--------------------------------|
| Michael Coughlin | Chief Executive Officer | \$140,000 | 0.00% | \$0 |
| Robert Boschen | Chief Financial Officer | \$100,000 | 0.00% | \$0 |
| Dr. Christopher Kempton | Dentist | \$135,000 | 0.00% | \$0 |
| Crystal Buswell | Dental Hygienist | \$41,472 | 0.00% | \$0 |
| | | | | |

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AS



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-3958 1-800-852-3345 Ext. 3958
Fax: 603-271-4934 TDD Access: 1-800-735-2964

September 30, 2014

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 of Public Health Services, to establish a list of dentists, with the ability to expand said list to include additional interested dental contractors to provide necessary dental treatment for clients enrolled in the New Hampshire Ryan White CARE Program. No maximum client or service volume is guaranteed. Accordingly, the price limitation among all Agreements is \$100,000 each State Fiscal Year for a total of \$200,000. The Agreements are effective date of Governor and Executive Council approval through June 30, 2016. *100% Other Funds*

| VENDOR | LOCATION |
|---|----------------|
| Easter Seals New Hampshire, Inc. | Manchester, NH |
| Tri-County Community Action Program, Inc. | Berlin, NH |

Funds are available in the following account for SFY 2015, and are anticipated to be available in SFY 2016 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust encumbrances between State Fiscal Years through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, PHARMACEUTICAL REBATES

| Fiscal Year | Class/Account | Class Title | Job Number | Total Amount |
|-------------|---------------|--------------|--------------|------------------|
| SFY 2015 | 530-500371 | Drug Rebates | 90024608 | \$100,000 |
| SFY 2016 | 530-500371 | Drug Rebates | 90024608 | \$100,000 |
| | | | Total | \$200,000 |

EXPLANATION

This requested action seeks approval of two (2) of seven (7) agreements that will ensure the provision of dental treatment and other oral health services to New Hampshire residents living with Human Immunodeficiency Virus (HIV), statewide that are enrolled in the New Hampshire Ryan White CARE Program. The licensed Dentists will provide dental treatment and other oral health services to enrolled clients, on an individual, case-by-case, as needed basis. The Department anticipates that the remaining (5) five agreements will be presented at an upcoming Governor and Executive Council meeting.

The New Hampshire Ryan White CARE Program receives funding from the Health Resources and Services Administration (HRSA), Ryan White HIV/AIDS Program, Part B for medical services, oral health, and home health care services. HRSA funding is in accordance with the Ryan White HIV/AIDS Treatment Extension Act of 2009. The intent of the legislation and federal funding is to assure access to care for financially eligible individuals living with HIV/AIDS. A recipient of federal funding, the New Hampshire Ryan White CARE Program is subject to the federal mandate to implement contractual agreements with all service providers and to maintain nationally accepted fiscal, programmatic, and monitoring standards established by HRSA. Federal regulation also requires that Ryan White CARE Program funds be used as a "payer of last resort".

Should Governor and Executive Council not authorize this Request, federal regulations and monitoring standards will not be met and eligible New Hampshire residents living with HIV with immediate oral health needs and without access to care will not receive prevention and treatment for dental conditions. The services in this Contract will promote the goals of the National HIV/AIDS Strategy and maintain a continuum of care in order to reduce HIV related health disparities and the occurrence of negative health outcomes. The program currently provides services to approximately 450 to 500 clients statewide.

A Request for Applications was posted on the Department of Health and Human Services' web site on April 4, 2014 to solicit dentists to provide dental services to New Hampshire Ryan White CARE program clients. In addition, an email was sent to twelve (12) known dental providers for Ryan White Part B services on April 4, 2014, notifying them that a Request for Application was posted. Seven (7) applications were received from licensed dentists, and were approved for funding. Two (2) of the seven (7) Dentists are listed on Attachment 1.

As referenced in the Request for Application and in exhibit C-1, Revisions to General Provisions, this Agreement has the option to extend for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
September 30, 2014
Page 3

The performance of this program will be measured by the number of New Hampshire Ryan White CARE Program clients that actually receive dental services.

The geographic area to be served is statewide.

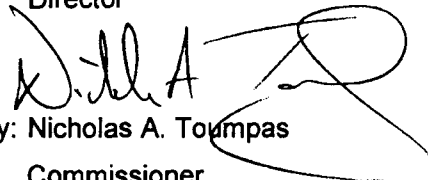
Source of Funds: 100% ^{Other} ~~Federal~~ Funds from the Pharmaceutical Rebates.

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

Respectfully submitted,



José Thier Montero, MD, MHCDS
Director



Approved by: Nicholas A. Tompkins
Commissioner

Attachment 1

Department of Health and Human Services

Division of Public Health Services

New Hampshire Ryan White CARE Program

Licensed Dentist List

SFY 2015/2016

The following is an initial list of Dentists that agree to provide dental treatment and other oral health services to clients enrolled in the New Hampshire Ryan White CARE Program (NH CARE Program). Additional Dentists may be added in the future as needed.

| List of Licensed Dentists | |
|---|----------------|
| Dentist | Address |
| Easter Seals New Hampshire, Inc. | Manchester, NH |
| Tri-County Action Community Program, Inc. | Berlin, NH |



Attachment 2

| NH CARE Program Dental Fee Schedule 2014 - 2015 | | |
|---|---|--------|
| Code | Procedure | Fee |
| D0120 | Periodic oral evaluation | 41.00 |
| D0140 | Limited oral evaluation | 60.00 |
| D0150 | Comprehensive oral evaluation | 62.00 |
| D0210 | Intraoral-complete series | 96.00 |
| D0220 | Intraoral-Periapical 1st film | 15.00 |
| D0230 | Intraoral-Periapical each additional | 10.00 |
| D0270 | Bitewings - Xray | 17.00 |
| D0272 | Bitewings - two films | 25.00 |
| D0274 | Bitewings - four films | 45.00 |
| D0330 | Panoramic film | 83.00 |
| D1110 | Prophylaxis adult | 85.00 |
| D1120 | Prophylaxis child | 38.00 |
| D2140 | Amalgam - 1 surface | 150.00 |
| D2150 | Amalgam - 2 surface | 155.00 |
| D2160 | Amalgam - 3 surface | 180.00 |
| D2161 | Amalgam - 4/4+ surface | 200.00 |
| D2330 | Resin-1 surface anterior | 131.00 |
| D2331 | Resin-2 surface anterior | 143.00 |
| D2332 | Resin-3 surface anterior | 147.00 |
| D2335 | Resin-4/4+ surface anterior | 165.00 |
| D2391 | Resin-1 surface posterior | 150.00 |
| D2392 | Resin-2 surface posterior | 155.00 |
| D2393 | Resin-3 surface posterior | 180.00 |
| D2394 | Resin-4/4+ surface posterior | 200.00 |
| D2940 | Sedative Filling | 75.00 |
| D4341 | Scaling and root planing (per quadrant) | 100.00 |
| D4355 | Full mouth debridement | 90.00 |
| D4910 | Periodontal Maintenance | 120.00 |
| D5110 | Complete denture-maxillary | 800.00 |
| D5120 | Complete denture-mandibular | 800.00 |
| D5130 | Immediate denture-maxillary | 875.00 |
| D5140 | Immediate denture-mandibular | 875.00 |
| D5211 | Maxillary partial-resin base | 600.00 |
| D5212 | Maxillary partial-resin base | 600.00 |



Attachment 2

| | | |
|-------|--|----------|
| D5213 | Max partial-cast metal w/resin | 1,300.00 |
| D5214 | Mand partial-cast metal w/resin | 1,200.00 |
| D5410 | Adjust complete denture, maxillary | 50.00 |
| D5411 | Adjust complete denture, mandibular | 50.00 |
| D5421 | Adjust partial denture, maxillary | 50.00 |
| D5422 | Adjust partial denture, mandibular | 50.00 |
| D5520 | Replace denture teeth | 127.00 |
| D5670 | Replace All Teeth/Acrilic on cast metal framework\$359 | 359.00 |
| D5750 | Reline complete maxillary denture | 244.00 |
| D5751 | Reline complete mandibular denture | 244.00 |
| D7140 | Extraction-erupted/exposed | 150.00 |
| D7210 | Extraction-surgical-imp bony | 225.00 |
| D7240 | Removal of Impacted Tooth | 348.00 |
| D7310 | Alveoloplasty - per quaddrant | 275.00 |
| D7472 | Removal of torus palatinus Mandibular - 2 quadrants | 400.00 |
| D5760 | Reline maxillary parital denture | 99.00 |
| D5761 | Reline mandibular partial denture | 99.00 |
| D9110 | Palliative Tx of Dental Pain | 33.00 |
| D9220 | Gen anesthesia (first 30 minutes) | 100.00 |
| D9221 | Gen anesthesia (each additional 15 minutes) | 40.00 |
| D9241 | Intravenous Conscious Sedation/first 30 min | 100.00 |
| D9242 | Intravenous Conscious Sedation/ea add'l 30 min | 40.00 |
| D9310 | Dental Consultation | 68.00 |
| D9612 | Parenteral Drug Injection (\$77 each) | 77.00 |
| D9940 | Mouth Guard | 110.00 |
| | <i>Additional services may be approved by DHHS on a case by case basis</i> | |
| | R:\OCPH\FCH\STDHIV\Group\CARE Program\Policy & Procedures\Dental | |

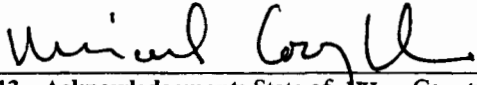

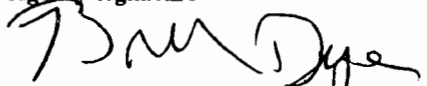
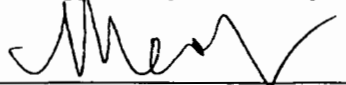
Subject: New Hampshire Ryan White CARE Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

| | | | |
|--|--|--|--|
| 1.1 State Agency Name NH Department of Health and Human Services | | 1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857 | |
| 1.3 Contractor Name Tri-County Community Action Program Inc. | | 1.4 Contractor Address 30 Exchange Street Berlin, NH 03570 | |
| 1.5 Contractor Phone Number 603-752-7001 | 1.6 Account Number 05-95-90-902010-5240-102-500731- 05-95-90-902510-2229-5 | 1.7 Completion Date June 30, 2016 30-500371 | 1.8 Price Limitation \$200,000 |
| 1.9 Contracting Officer for State Agency Brook Dupee, Bureau Chief | | 1.10 State Agency Telephone Number 603 271 4483 | |
| 1.11 Contractor Signature  | | 1.12 Name and Title of Contractor Signatory Michael Coughlin, CEO | |
| 1.13 Acknowledgement: State of <u>NH</u> , County of <u>Coos</u> On <u>6-23-14</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12. | | | |
| 1.13.1 Signature of Notary Public or Justice of the Peace  | | | |
| 1.13.2 Name and Title of Notary or Justice of the Peace Suzanne C. French, Notary | | SUZANNE C. FRENCH Notary Public - New Hampshire My Commission Expires June 19, 2018 | |
| 1.14 State Agency Signature  | | 1.15 Name and Title of State Agency Signatory Brook Dupee, Bureau Chief | |
| 1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____ | | | |
| 1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Megan A. Yopl - Attorney On: <u>11/10/14</u> | | | |
| 1.18 Approval by the Governor and Executive Council By: _____ On: _____ | | | |

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

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

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

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

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

7. PERSONNEL.

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

Contractor Initials: WEC
Date: 6/23/14

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: MC
Date: 6/23/14

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

1. Program Name: New Hampshire Ryan White CARE Program

1.1. Purpose:

The purpose of this agreement is to perform necessary dental treatment for clients enrolled in the New Hampshire Ryan White CARE Program (NH CARE Program). The goal of the NH CARE Program is to provide financial assistance for necessary dental treatment and other oral health services, to uninsured and underinsured New Hampshire (NH) residents living with Human Immunodeficiency Virus (HIV), statewide.

2. Provision of Services:

- 2.1. The Contractor shall act as a representative of the NH CARE Program to provide preventive and restorative dental care to uninsured and underinsured NH CARE Program clients.
- 2.2. The Contractor shall provide services to enrolled NH CARE Program clients only; services provided outside of enrollment periods will not be reimbursed.
- 2.3. The Contractor shall refer clients to their Medical Case Manager as needed to re-enroll in the NH CARE Program.
- 2.4. The Contractor shall invoice NH CARE Program for services using a health insurance claim form or reasonable facsimile; additional invoicing methods may be approved by the NH CARE Program.
- 2.5. The Contractor shall invoice NH CARE Program according to the NH CARE Program Dental Fee Schedule; request approval for additional services through the Contract Monitor.
- 2.6. The Contractor shall participate in an annual site visit with NH CARE Program staff.
- 2.7. The Contractor shall provide client level data as requested by the NH CARE Program, for the completion of annual reports to the Health Resources and Services Administration (HRSA).
- 2.8. The Contractor shall maximize billing to NH Medicaid and private dental insurance. The NH CARE Program shall be the payer of last resort and will only reimburse services for uninsured and underinsured clients.

3. Licensing Requirements:

Dentist(s) performing services under this agreement must possess a current dental license issued by the State of New Hampshire Board of Dental Examiners.



Exhibit A

4. Dental providers shall adhere to the NH CARE Program Standards of Care for Oral Health Services, and all applicable Programmatic, Fiscal and Universal Monitoring Standards, as documented by the HRSA:
- <http://hab.hrsa.gov/manageyourgrant/files/programmonitoringpartb.pdf>
 - <http://hab.hrsa.gov/manageyourgrant/files/fiscalmonitoringpartb.pdf>
 - <http://hab.hrsa.gov/manageyourgrant/files/universalmonitoringpartab.pdf>
5. The Department of Health and Human Services reserves the right to discontinue this agreement should it discover any abridgment of the above partner agreements that jeopardize the intent of this agreement.

6. Entire Agreement:

The following documents are incorporated by reference into this Agreement and they constitute the entire Agreement between the State and the Contactor. General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit B-1 Dental Fee Schedule, Exhibit C Special Provisions, Exhibit C-1 Additional special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability Accountability Act Business Associate Agreement, and Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict of contradiction between or among the Agreement Documents, the documents shall control in the above order of precedence.



Exhibit B

Method and Conditions Precedent to Payment

1. Subject to the Contractor's compliance with the terms and conditions of the Agreement, the Bureau of Infectious Disease Control shall reimburse the Contractor for actual dental service(s) provided by the contractor to enrolled NH CARE Program clients. Reimbursement shall be based on the NH CARE Program Dental Fee Schedule identified in Exhibit B-1.
2. Price Limitation. This Agreement is one of multiple Agreements that will serve NH Ryan White CARE Program. No maximum or minimum client and service volume is guaranteed. Accordingly, the price limitation among all Agreements is identified in Block 1.8 of the P-37 for the duration of the Agreement.
3. Notwithstanding anything to the contrary herein, the Contactor agrees that payment under this Agreement may be withheld, in whole or in part, in the event of noncompliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services have not been satisfactorily completed in accordance with the terms and conditions of this Agreement.
4. The funding source for this Agreement for Dental Services is 100% Other Funds from the Pharmaceutical Rebates.
5. Contract dentists shall complete and submit a Dental Claim invoice, due within 30 days. Completed invoice must be submitted to:

NH CARE Program
Bureau of Infectious Disease Control
Department of Health and Human Services
Division of Public Health
29 Hazen Drive
Concord, NH 03301
Fax: 603-271-4934
6. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available. Contractor will keep detailed records of their dental services related to Department of Health and Human Services funded programs and services.
7. Dentists are accountable to meet the scope of services. Failure to meet the scope of services may jeopardize the funded Dentist's current and/or future funding. Corrective action may include actions such as a contract amendment or termination of the contract.



Exhibit B-1

| NH CARE Program Dental Fee Schedule 2014 - 2015 | | |
|---|---|--------|
| Code | Procedure | Fee |
| D0120 | Periodic oral evaluation | 41.00 |
| D0140 | Limited oral evaluation | 60.00 |
| D0150 | Comprehensive oral evaluation | 62.00 |
| D0210 | Intraoral-complete series | 96.00 |
| D0220 | Intraoral-Periapical 1st film | 15.00 |
| D0230 | Intraoral-Periapical each additional | 10.00 |
| D0270 | Bitewings - Xray | 17.00 |
| D0272 | Bitewings - two films | 25.00 |
| D0274 | Bitewings - four films | 45.00 |
| D0330 | Panoramic film | 83.00 |
| D1110 | Prophylaxis adult | 85.00 |
| D1120 | Prophylaxis child | 38.00 |
| D2140 | Amalgam - 1 surface | 150.00 |
| D2150 | Amalgam - 2 surface | 155.00 |
| D2160 | Amalgam - 3 surface | 180.00 |
| D2161 | Amalgam - 4/4+ surface | 200.00 |
| D2330 | Resin-1 surface anterior | 131.00 |
| D2331 | Resin-2 surface anterior | 143.00 |
| D2332 | Resin-3 surface anterior | 147.00 |
| D2335 | Resin-4/4+ surface anterior | 165.00 |
| D2391 | Resin-1 surface posterior | 150.00 |
| D2392 | Resin-2 surface posterior | 155.00 |
| D2393 | Resin-3 surface posterior | 180.00 |
| D2394 | Resin-4/4+ surface posterior | 200.00 |
| D2940 | Sedative Filling | 75.00 |
| D4341 | Scaling and root planing (per quadrant) | 100.00 |
| D4355 | Full mouth debridement | 90.00 |
| D4910 | Periodontal Maintenance | 120.00 |
| D5110 | Complete denture-maxillary | 800.00 |
| D5120 | Complete denture-mandibular | 800.00 |
| D5130 | Immediate denture-maxillary | 875.00 |
| D5140 | Immediate denture-mandibular | 875.00 |
| D5211 | Maxillary partial-resin base | 600.00 |
| D5212 | Maxillary partial-resin base | 600.00 |



Exhibit B-1

| | | |
|-------|--|----------|
| D5213 | Max partial-cast metal w/resin | 1,300.00 |
| D5214 | Mand partial-cast metal w/resin | 1,200.00 |
| D5410 | Adjust complete denture, maxillary | 50.00 |
| D5411 | Adjust complete denture, mandibular | 50.00 |
| D5421 | Adjust partial denture, maxillary | 50.00 |
| D5422 | Adjust partial denture, mandibular | 50.00 |
| D5520 | Replace denture teeth | 127.00 |
| D5670 | Replace All Teeth/Acrylic on cast metal framework\$359 | 359.00 |
| D5750 | Reline complete maxillary denture | 244.00 |
| D5751 | Reline complete mandibular denture | 244.00 |
| D7140 | Extraction-erupted/exposed | 150.00 |
| D7210 | Extraction-surgical-imp bony | 225.00 |
| D7240 | Removal of Impacted Tooth | 348.00 |
| D7310 | Alveoloplasty - per quaddrant | 275.00 |
| D7472 | Removal of torus palatinus Mandibular - 2 quadrants | 400.00 |
| D5760 | Reline maxillary parital denture | 99.00 |
| D5761 | Reline mandibular partial denture | 99.00 |
| D9110 | Palliative Tx of Dental Pain | 33.00 |
| D9220 | Gen anesthesia (first 30 minutes) | 100.00 |
| D9221 | Gen anesthesia (each additional 15 minutes) | 40.00 |
| D9241 | Intravenous Conscious Sedation/first 30 min | 100.00 |
| D9242 | Intravenous Conscious Sedation/ea add'l 30 min | 40.00 |
| D9310 | Dental Consultation | 68.00 |
| D9612 | Parenteral Drug Injection (\$77 each) | 77.00 |
| D9940 | Mouth Guard | 110.00 |
| | <i>Additional services may be approved by DHHS on a case by case basis</i> | |
| | R:\OCPH\FCH\STDHIV\Group\CARE Program\Policy & Procedures\Dental | |



SPECIAL PROVISIONS

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

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



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

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

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



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

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

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

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

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

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

16. **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:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

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.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

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.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

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



REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
 4. **CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.

2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
 - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
 - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
 - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
 - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
 - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

3. **Extension:**

This agreement has the option for a potential extension of up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

4. **Insurance:**

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 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 and umbrella liability coverage in the amount of \$2,000,000 per occurrence.

ML

6/23/14



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

New Hampshire Department of Health and Human Services
Exhibit D



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

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

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

Contractor Name: Tri-County Community Action Program Inc.

6-23-14
Date

Michael Coughlin
Name: Michael Coughlin
Title: Chief Executive Officer



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

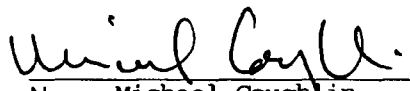
The undersigned certifies, to the best of his or her knowledge and belief, that:

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

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

Contractor Name: Tri-County Community Action Program Inc.

6-23-14
Date


Name: Michael Coughlin
Title: Chief Executive Officer



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

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

INSTRUCTIONS FOR CERTIFICATION

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



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

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

PRIMARY COVERED TRANSACTIONS

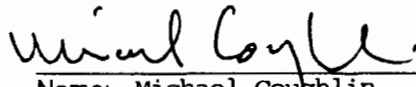
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 -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

LOWER TIER COVERED TRANSACTIONS

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

Contractor Name: Tri-County Community Action Program Inc.

6-23-14
Date


Name: Michael Coughlin
Title: Chief Executive Officer



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.

Contractor Name: Tri-County Community Action Program Inc.

6-23-14

Date

A handwritten signature in black ink, appearing to read "Michael Coughlin", written over a horizontal line.

Name: Michael Coughlin

Title: Chief Executive Officer



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Contractor Name: Tri-County Community Action Program Inc.

6-23-14
Date

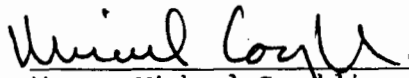

Name: Michael Coughlin
Title: Chief Executive Officer



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Exhibit I – Health Insurance Portability and Accountability Act, Business Associate Agreement does not apply to this contract.

MC

6-23-14



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

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

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

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

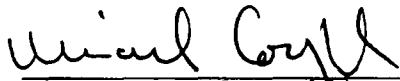
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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

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

Contractor Name: Tri-County Community Action Program Inc.

June 23-14
Date


Name: Michael Coughlin
Title: Chief Executive Officer



FORM A

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

1. The DUNS number for your entity is: 073975708
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO YES

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

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

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

NO YES

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

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

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

| | |
|-------------|---------------|
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |
| Name: _____ | Amount: _____ |