

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF HUMAN SERVICES
BUREAU OF HOMELESS AND HOUSING SERVICES

Nicholas A. Toumpas
Commissioner

Mary Ann Cooney
Associate Commissioner

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April 2, 2014

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

36A MS7

Retroactive (1)

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Human Services, Bureau of Homeless and Housing Services to enter into agreements, one of which is **retroactive**, with the vendors listed in the table below to provide permanent and transitional housing program(s) to facilitate the movement of homeless individuals to permanent housing and maximum self-sufficiency through the Federal Continuum of Care program in an amount not to exceed \$759,401 effective the dates indicated in the table below upon Governor and Executive approval through the completion dates indicated in the table below.

100% Federal funds

Vendor	Vendor Number	Location	Effective Date	Completion Date	Amount
Community Action Program Belknap-Merrimack, Inc.	177203-B003	Belknap & Merrimack Counties	12/01/2014	11/30/2015	\$67,194
Families in Transition	157730-B001	Greater Concord Area	07/01/2014	06/30/2015	\$68,585
Families in Transition	157730-B001	Greater Manchester Area & Hillsborough County	09/01/2014	08/31/2015	\$71,374
Families in Transition	157730-B001	Greater Seacoast Area & Strafford County	11/01/2014	10/30/2015	\$95,772
Families in Transition	157730-B001	Greater Concord Area & Merrimack County	10/01/2014	09/30/2015	\$95,674
Harbor Homes, Inc.	155358-B001	Greater Nashua Area Inc.	07/01/2014	06/30/2015	\$200,114
Southwestern Community Services, Inc.	177511-P001	Keene	Retroactive to: 04/01/2014	03/31/2015	\$84,696
Southwestern Community Services, Inc.	177511-P001	Cheshire & Sullivan Counties	07/01/2014	06/30/2015	\$75,992
				Total:	\$759,401

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Funds to support this request are available in the following accounts in SFY 2014 and 2015 with the ability to adjust encumbrances without Governor and Council approval in each of the State Fiscal Years through the Budget Office if needed and justified. Funds are anticipated to be available in the operating budget for SFY 2016.

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

See attachment for fiscal details and areas served.

EXPLANATION

The Department has participated in over twenty (20) rounds of disbursing federal awards to local communities. Experience has informed the Department in the ability to estimate the following year's grant awards based on the community-based agencies' previous year's applications to the U.S. Department of Housing and Urban Development. Therefore, some of the grant awards that are contracted are contracted prospectively with the intention of amending those contracts needing adjustment when the federal government provides official notification of the dollar amounts awarded to the community-based agencies. The awards that are issued retroactively result in the community-based programs receiving funds much later than when the funds are actually needed for program operations. Funds awarded retroactively can result in New Hampshire citizens who are homeless, or at risk of becoming homeless, not receiving the assistance when it is actually needed.

Regardless of when the communities applied for the funds, the Department cannot begin contracts with the community-based agencies prior to their current contracts end date. Therefore, this package contains contracts with various effective dates, including one that is **retroactive**. Further, some community-based agencies applied for more than one grant due to the locations to which the funds awarded will be allocated. These vendors include Families in Transition, Harbor Homes and Southwestern Community Services. These particular vendors provide homeless services to several towns and cities while operating a main office for the administration of the funds that are awarded to individual community-based agencies.

One attached vendor agreement is retroactive because grant awards to communities were subject to the U.S. Department of Housing and Urban Development application and award process. Communities seeking funds from the U.S. Department of Housing and Urban Development Continuum of Care program must apply directly to the federal agency where their applications are scored by the federal program based on criteria set forth by the U.S. Department of Housing and Urban Development Continuum of Care program. The New Hampshire Department of Health and Human Services is notified by the U.S. Department of Housing and Urban Development Continuum of Care program of the grant awards several months after the federal program receives the communities' applications, which in some cases causes the awards to be allocated retroactively. Although law does not mandate the Continuum of Care program, the community-based agencies must follow the federal process to access the funds, which are distributed by the states.

This package includes eight (8) of sixteen (16) vendors receiving a competitive award for renewal funding, and represents \$759,401 of a total of \$1,848,809 being funded through the Continuum of Care program. Pursuant to these agreements, vendors will utilize Continuum of Care funds to provide and pay for, supportive services, rental/leasing assistance, and administrative costs associated with providing services to homeless individuals and/or families. Through the U.S. Department of Housing and Urban Development funded Continuum of Care program, the vendors will provide a comprehensive support services network to provide the unmet housing needs of individuals and/or families and will promote the ability of participants to live more independently.

The Department is presenting these contracts to the Governor and Executive Council for approval in groups in an effort to consolidate administrative work and minimize the duplication of efforts when preparing items for the Department Administrative Services to review and for the Governor and Executive Council to approve.

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

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

The Department assures contract compliance and provider performance through the following:

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

Should Governor and Executive Council determine not to approve this request, outreach, transitional and permanent housing resources for people who are homeless may not be available in their communities, and there will be an increase in demand for services placed upon the region's local welfare authorities. Further, an ongoing project may not be able to continue, causing many individuals and/or families to become homeless. People who are without housing and resources will resort to seeking shelter in places that are not fit for habitation, or will attempt to travel to shelters in other communities. This will increase the likelihood that people who are homeless will be in danger of injury or death, and will be cut off from basic supports for housing, health, education and treatment. Numerous jobs would also be lost since the shelter and/or resource agency would have to close its doors or drastically reduce staff.

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

Area served: Statewide

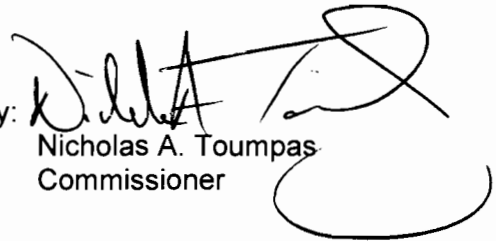
Source of funds: 100% Federal Funds.

Respectfully submitted,



Mary Ann Cooney
Associate Commissioner

Approved by:



Nicholas A. Toumpas
Commissioner

Continuum of Care

Community Action Program Belknap- Merrimack, Inc. (Vendor # 177203-B001)

Areas Served: Franklin

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2015	\$39,199
102-500731	Contracts for Prog Svc	42306010	2016	\$27,995
			Sub-total	\$67,194

Center for Life Management – Beaver Lake Lodge & PHI (Vendor # 174116-P001)

Area Served: Derry

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2014	\$0
102-500731	Contracts for Prog Svc	42306010	2015	\$504,134
			Sub-total	\$504,134

Community Bridges (Vendor # 155658-B001)

Area Served: Franklin

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2014	\$0
102-500731	Contracts for Prog Svc	42306010	2015	\$113,896
			Sub-total	\$113,896

Community Partners of Strafford County (Vendor # 177200-B004)

Area Served: Dover

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2014	\$0
102-500731	Contracts for Prog Svc	42306010	2015	\$40,527
			Sub-total	\$40,527

Families in Transition – Concord PHP (Vendor # 157730-B001)

Area Served: Greater Concord Area

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2014	\$0
102-500731	Contracts for Prog Svc	42306010	2015	\$68,585
			Sub-total	\$68,585

Continuum of Care

Families in Transition-Concord Community Leasing II (Vendor # 157730-B001)
Area Served: Concord

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2015	\$31,937
102-500731	Contracts for Prog Svc	42306010	2016	\$95,809
			Sub-total	\$127,746

Family in Transition-Dover PHP (Vendor 157730-B001)
Area Served: Dover

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2015	\$63,848
102-500731	Contracts for Prog Svc	42306010	2016	\$31,924
			Sub-total	\$95,772

Families in Transition PH VI (Vendor # 157730-B001)
Area Served: Manchester

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2015	\$54,780
102-500731	Contracts for Prog Svc	42306010	2016	\$16,594
			Sub-total	\$71,374

Families in Transition Concord Community PH (Vendor # 157730-B001)
Area Served: Greater Concord Area & Merrimack County

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2015	\$63,784
102-500731	Contracts for Prog Svc	42306010	2016	\$31,890
			Sub-total	\$95,674

Continuum of Care

Harbor Homes RRH (Vendor # 155358-B001)(HUD 2012 NOFA)

Area Served: Statewide

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2014	\$44,203
102-500731	Contracts for Prog Svc	42306010	2015	\$44,203
			Sub-total	\$88,406

Harbor Homes (Vendor # 155358-B001)

Area Served: Greater Nashua Area

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2014	\$0
102-500731	Contracts for Prog Svc	42306010	2015	\$200,114
			Sub-total	\$200,114

**Lakes Region Mental Health d/b/a Genesis Behavioral Health –
McGrath Street (Vendor # 154480-B001) Area Served: Laconia**

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2014	\$0
102-500731	Contracts for Prog Svc	42306010	2015	\$91,051
			Sub-total	\$91,051

Seacoast Mental Health Center (Vendor # 174089-P001)

Area Served: Portsmouth

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2014	\$0
102-500731	Contracts for Prog Svc	42306010	2015	\$13,918
			Sub-total	\$13,918

Southwestern Community Services (Vendor # 177511-P001)(HUD 2012 NOFA)

Area Served: Cheshire and Sullivan Counties

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2014	\$54,865
102-500731	Contracts for Prog Svc	42306010	2015	\$54,865
			Sub-total	\$109,730

Continuum of Care

Southwestern Community Services (Next Steps) (Vendor # 177511-P001)

Area Served: Keene

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2014	\$21,174
102-500731	Contracts for Prog Svc	42306010	2015	\$63,522
			Sub-total	\$84,696

Southwestern Community Services (Cheshire) (Vendor # 177511-P001)

Area Served: Cheshire and Sullivan Counties

Account	Class Title	Activity Code	State Fiscal Year	Contract Amount
102-500731	Contracts for Prog Svc	42306010	2014	\$0
102-500731	Contracts for Prog Svc	42306010	2015	\$75,992
			Sub-total	\$75,992

Total	\$1,848,809
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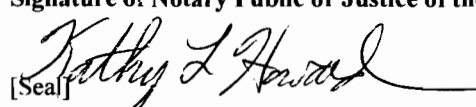

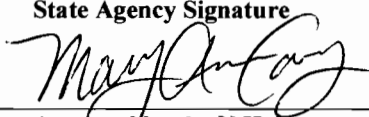
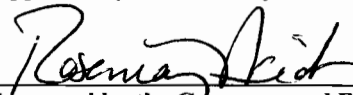
Subject: Continuum of Care Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Community Action Program Belknap-Merrimack Counties, Inc.		1.4 Contractor Address 2 Industrial Park Drive PO Box 1016 Concord, NH 03302-1016	
1.5 Contractor Phone Number (603) 225-3295	1.6 Account Number 010-042-7927-102-0731	1.7 Completion Date November 30, 2015	1.8 Price Limitation \$67,194.00
1.9 Contracting Officer for State Agency Eric D. Borrin		1.10 State Agency Telephone Number (603) 271-9558	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Ralph Littlefield, Executive Director	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Merrimack</u> On <u>3/11/14</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 Kathy L. Howard, Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Mary Ann Cook Associate Commissioner	
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>3-20-14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

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

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

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

no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

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

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

8. EVENT OF DEFAULT/REMEDIES.

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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 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

Continuum of Care Program

1. **CONDITIONAL NATURE OF AGREEMENT**

1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care Grant. The State has applied for the Continuum of Care Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the Continuum of Care Grant.

2. **SERVICES**

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, the Contractor shall provide a permanent housing program that shall serve thirty (30) homeless individuals with disabilities.
- 2.2. The goal of this program is to facilitate the movement of homeless individuals to permanent housing and maximum self-sufficiency.
- 2.3. To be eligible for contract services, individuals must be homeless as defined in HUD regulations. The Contractor must obtain and retain appropriate documentation.
- 2.4. The Contractor shall provide these services according to HUD regulations as outlined in Public Law 102-550, 24 CFR Part 578 Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program interim rule, and other written HUD policies and directives.
- 2.5. Each program participant shall have an employment assessment and employment goals included in the individual service plan, as appropriate.

3. **PROGRAM REPORTING REQUIREMENTS**

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report: Within thirty (30) days after the Completion Date, an Annual Performance Report (APR) shall be submitted to the BHHS that summarizes the results of the Project Activities, showing in particular how the Project Activities have been performed. The Annual Performance Report shall be in the form required or specified by the State.

3.1.2. Other Reports as requested by the State.

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Current NH HMIS policy can be accessed electronically through the following website: <http://www.nh-hmis.org>.

RF
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Exhibit A

3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by the BHHS.

4. CONTRACT ADMINISTRATION

- 4.1. The Contractor shall have appropriate levels of staff attend all meetings or trainings requested by the BHHS. To the extent possible, BHHS shall notify the contractor of the need to attend such meetings five working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with contractor performance.
- 4.3. The Contractor shall inform BHHS of any staffing changes.
- 4.4. Contract records shall be retained for a period of five (5) years following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and the BHHS.

5. FINANCIAL

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

5.1.1. Operating expenses

5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.

5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter- and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

5.1.2. Supportive services

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

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Exhibit A

- 5.1.2.2. Eligible costs include mental health services, case management services, salaries of Contractor staff providing supportive services, reasonable one-time moving costs (truck rental and hiring a moving company), child-care costs for establishing and operating child care, and providing child-care vouchers for children from families experiencing homelessness (including providing meals and snacks and comprehensive and coordinated developmental activities), education services, employment assistance and job training skills, housing search and counseling services, legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing), outpatient health services, transportation services, and utility deposits.
- 5.1.2.3. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.

5.1.3. Rental Assistance

- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
- 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
- 5.1.3.3. Long-term rental assistance must be administered by someone other than the Contractor. The Contractor must have a Memorandum of Understanding (MOU), with a State, unit of general local government, or a public housing agency.
- 5.1.3.4. Short or medium term rental assistance provided under the Rapid ReHousing program component is not subject to requirements in 578.51 (b), and is not required to be administered by a state, unit of local government, or public housing agency.
- 5.1.3.5. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
- 5.1.3.6. Rental assistance will only be provided for a unit if the rent is reasonable. The contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.

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Exhibit A

- 5.1.3.7. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant.
 - 5.1.3.8. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
 - 5.1.3.9. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
 - 5.1.3.10. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and sub recipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid ReHousing program component must be tenant based rental assistance.
 - 5.1.3.11. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
 - 5.1.3.12. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
 - 5.1.3.13. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative costs
- 5.1.4.1. Administrative costs include: Preparing program budgets, schedules and amendments, developing systems for assuring compliance with program requirements, developing interagency agreements and agreements with sub recipients and contractors to carry out program activities, preparing reports and other documents related to the program for submission to HUD, evaluating program results against stated objectives, travel costs incurred for official business in carrying out the program, administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services), and other costs for goods and services required for

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Exhibit A

administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

- 5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).
 - 5.2.1. The contractor must match all grant funds except for leasing funds, with no less than twenty-five percent of funds or in-kind contributions from other sources.
 - 5.2.2. Match requirements are to be documented with each payment request.
- 5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 4.1. The Contractor must have written approval from the State prior to billing for any other expenses.
- 5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 583.315). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.5. The contractor shall have any staff charged in full or part to this contract or counted as match complete weekly or bi-weekly timesheets.

Service Location:

Bow/Glen Housing Program

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METHOD AND CONDITIONS PRECEDENT TO PAYMENT

Continuum of Care Program

The following financial conditions apply to the scope of services as detailed in Exhibit A – Continuum of Care Program.

This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund: Not applicable
Federal Funds:
CFDA #: 14.235
Federal Agency: U.S. Department of Housing & Urban Development
Program Title: Continuum of Care Program

Total Amount Continuum of Care Program;

December 1st, 2014 – November 30, 2015: not to exceed \$67,194.00

Funds allocation under this agreement for Continuum of Care Program;

Supportive Services: \$1,955.00
Leasing or Rental Assistance: \$63,567.00
Administrative Costs: \$1,672.00
Total program amount: \$67,194.00

1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, in an amount not to exceed and for the time period specified above.

2. REPORTS

As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

- 2.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with the regulations that implement OMB Circular A-133. Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State.
- 2.2. Where the Contractor is not subject to the requirements of OMB Circular A-133, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

R-Q
3/11/14



Exhibit B

3. PROJECT COSTS: PAYMENT SCHEDULE; REVIEW BY THE STATE

- 3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in OMB Circular A-87 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of OMB Circular A-122.
- 3.2. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount not to exceed as specified above. Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor shall provide additional financial information if requested by the State to verify expenses.
- 3.3. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture pursuant to 24 CFR Subsection 576.55. The funds authorized to be expended under this Agreement shall be used only for operations, supportive services, leasing, rental assistance and administration or reimbursement for expenditures for operations, supportive services, leasing, and rental assistance and administration, provided by the Contractor for the project period and operating years of the Continuum of Care Program as approved by HUD and in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578.

4. USE OF GRANT FUNDS

- 4.1. The State agrees to provide payment for actual costs, up to the not to exceed amount for the Continuum of Care Program as specified in this Exhibit, as defined by HUD under the provisions of P.L. 102-550 and applicable regulations.
- 4.2. The Contractor may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval from the State.

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Exhibit B

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- 4.3. Conformance to OMB Circular A-110: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in OMB Circular A-110.
5. CONTRACTOR FINANCIAL MANAGEMENT SYSTEM
- 5.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
- 5.2. The Contractor shall maintain a financial management system that complies with Attachment G of A-102, "Standards of Contractor Financial Management Systems" or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2 of this Agreement.

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3/11/14



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.

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3/11/14



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.

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3/21/14



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

[Handwritten Signature]
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New Hampshire Department of Health and Human Services
Exhibit D



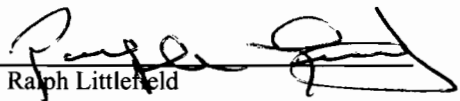
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
 - 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: Community Action Program
Belknap-Merrimack Counties, Inc.

March 11, 2014
Date


Name: Ralph Littlefield
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-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: Community Action Program
Belknap-Merrimack Counties, Inc.

March 11, 2014
Date


Name: Ralph Littlefield
Title: Executive Director



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

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

INSTRUCTIONS FOR CERTIFICATION

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

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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

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

Contractor Name: Community Action Program
Belknap-Merrimack Counties, Inc.

March 11, 2014
Date


Name: Ralph Littlefield
Title: Executive Director

Contractor Initials ee
Date 3/11/14



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: Community Action Program
Belknap-Merrimack Counties, Inc.

March 11, 2014
Date


Name: Ralph Littlefield
Title: Executive Director



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: Community Action Program
Belknap-Merrimack Counties, Inc.

March 11, 2014
Date


Name: Ralph Littlefield
Title: Executive Director



HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

Definitions

1. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D, Sec. 13400.
2. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
3. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
4. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
5. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
6. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
7. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
8. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
9. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
10. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
11. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
12. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
13. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
14. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
15. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
16. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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Use and Disclosure of Protected Health Information

1. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. Business Associate may use or disclose PHI:
 - 2.1. For the proper management and administration of the Business Associate;
 - 2.2. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - 2.3. For data aggregation purposes for the health care operations of Covered Entity.
3. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
4. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.
5. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

Obligations and Activities of Business Associate

1. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
2. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
3. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
4. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
5. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.



6. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
7. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
8. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
9. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
10. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
11. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

Obligations of Covered Entity

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

Termination for Cause

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



Miscellaneous

1. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
2. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
3. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
4. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
5. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
6. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

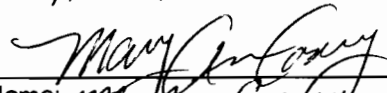
Contractor Name: Community Action Program
Belknap-Merrimack Counties, Inc.

March 11, 2014
Date


Name: Ralph Littlefield
Title: Executive Director

State Agency Name:
NH DHHS

3/13/14
Date


Name: Mary Ann Cooney
Title: Associate Commissioner



**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: Community Action Program
Belknap-Merrimack Counties, Inc.

March 11, 2014
Date


Name: Ralph Littlefield
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: 07-399-7504
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:

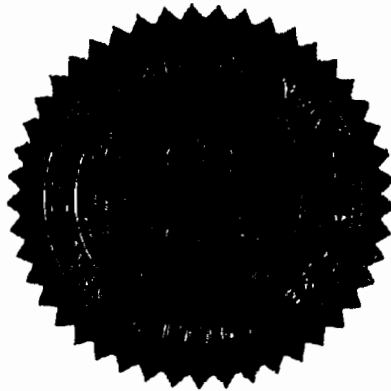
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

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

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that COMMUNITY ACTION PROGRAM BELKNAP AND MERRIMACK COUNTIES, INC. is a New Hampshire nonprofit corporation formed May 28, 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 5th day of June A.D. 2013

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

William M. Gardner
Secretary of State

Community Action Program Belknap-Merrimack Counties, Inc.

CERTIFICATE OF VOTE

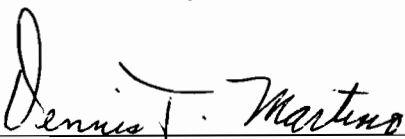
I, Dennis T. Martino, Secretary-Clerk of Community Action Program Belknap-Merrimack Counties, Inc. (hereinafter the "Corporation"), a New Hampshire corporation, hereby certify that: (1) I am the duly elected and acting Secretary-Clerk of the Corporation; (2) I maintain and have custody and am familiar with the minute books of the Corporation; (3) I am duly authorized to issue certificates with respect to the contents of such books; (4) that the Board of Directors of the Corporation have authorized, on 12/12/13, such authority to be in force and effect until 11/30/15 (contract termination date). (see attached)

The person(s) holding the below listed position(s) are authorized to execute and deliver on behalf of the Corporation any contract or other instrument for the sale of products and services:

Ralph Littlefield, Executive Director

(5) The meeting of the Board of Directors was held in accordance with New Hampshire, (state of incorporation) law and the by-laws of the Corporation; and (6) said authorization has not been modified, amended or rescinded and continues in full force and effect as of the date hereof. Excerpt of dated minutes or copy of article or section of authorizing by-law must be attached.

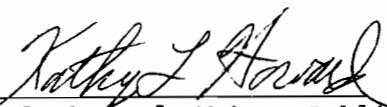
IN WITNESS WHEREOF, I have hereunto set my hand as the Clerk/Secretary of the corporation this 11th day of March, 2014.


Secretary-Clerk

STATE OF NEW HAMPSHIRE
COUNTY OF MERRIMACK

On this 11th day of March, 2014, before me, Kathy L. Howard the undersigned Officer, personally appeared Dennis T. Martino who acknowledged her/himself to be the Secretary-Clerk of Community Action Program Belknap-Merrimack Counties, Inc., a corporation and that she/he as such Secretary-Clerk being authorized to do so, executed the foregoing instrument for the purposes therein contained.

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


Kathy L. Howard, Notary Public
Notary Public/Justice of the Peace

Commission Expiration Date:



COMMUNITY ACTION PROGRAM
BELKNAP-MERRIMACK COUNTIES, INC.

CORPORATE RESOLUTION

The Board of Directors of Community Action Program Belknap-Merrimack Counties, Inc. authorizes the Executive Director, Deputy Director, Chief Accountant, President, Vice-President(s) or Treasurer of the Agency to sign contracts and reports with the State of New Hampshire, Departments of the Federal Government, which include all federal #269 and #272 Forms, and public or private nonprofit agencies *including, but not limited to, the following:*

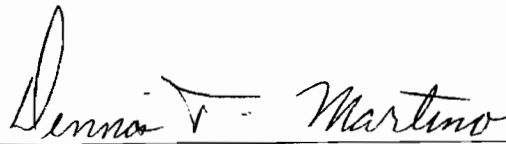
- Department of Administrative Services for food distribution programs
- Department of Education for nutrition programs
- Department of Health and Human Services
 - Bureau of Elderly and Adult Services for elderly programs
 - Bureau of Homeless and Housing Services for homeless/housing programs
 - Division of Children, Youth, and Families for child care programs
 - Division of Family Assistance for Community Services Block Grant
 - Division of Public Health Services for public health programs
- Department of Justice for child advocacy/therapy programs
- Department of Transportation-Public Transportation Bureau for transportation programs
- Public Utilities Commission for utility assistance programs
- Workforce Opportunity Council for employment and job training programs
- Department of Resources and Economic Development
- Governor's Office of Energy and Planning for Head Start, Low Income Energy Assistance, Weatherization and Block Grant programs
- New Hampshire Community Development Finance Authority
- New Hampshire Housing Finance Authority
- New Hampshire Secretary of State
- U. S. Department of Housing and Urban Development
- U. S. Department of the Treasury – Internal Revenue Service
- and other departments and divisions as required

This Resolution authorizes the signing of all supplementary and subsidiary documents necessary to executing the authorized contracts as well as any modifications or amendments relative to said contracts or agreements.

This Resolution was approved by the Board of Directors of Community Action Program Belknap-Merrimack Counties, Inc. on December 12, 2013, and has not been amended or revoked and remains in effect as of the date listed below.

March 11, 2014

Date



Dennis T. Martino
Secretary/Clerk

SEAL



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 3/28/2013

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).

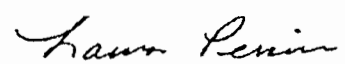
PRODUCER FIAI/Cross Ins-Manchester 1100 Elm Street Manchester NH 03101	CONTACT NAME: Karen Shaughnessy PHONE (A/C, No, Ext): (603) 669-3218 FAX (A/C, No): (603) 645-4331 E-MAIL ADDRESS: kshaughnessy@crossagency.com																				
	<table border="1"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A Arch Ins Co</td> <td></td> <td>11150</td> </tr> <tr> <td>INSURER B Liberty Mutual Insurance Co</td> <td></td> <td>23043</td> </tr> <tr> <td>INSURER C Philadelphia Indemnity Ins Co</td> <td></td> <td>18058</td> </tr> <tr> <td>INSURER D N.H.M.M. JUA</td> <td></td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A Arch Ins Co		11150	INSURER B Liberty Mutual Insurance Co		23043	INSURER C Philadelphia Indemnity Ins Co		18058	INSURER D N.H.M.M. JUA			INSURER E:			INSURER F:	
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INSURER F:																					

COVERAGES CERTIFICATE NUMBER: 12-13 All lines 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 INSR WVP	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 GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC		NCPRG0226600	6/17/2013	6/17/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" 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		NCAUT0226600	6/17/2013	6/17/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist combined \$ 1,000,000
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 \$ 10,000		NCUMB0226600	6/17/2013	6/17/2014	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	WC1291446010012 (3a.) NH All officers included	6/17/2013	6/17/2014	<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	Blanket Crime		BDV1649128	3/27/2013	3/27/2014	\$400,000
D	Professional		NHJUA11882	12/30/2012	12/30/2013	\$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Directors & Officers coverage afforded by policy PHSD727025 & has a limit of \$1,000,000. Refer to policy for exclusionary endorsements and special provisions.

CERTIFICATE HOLDER Director Div of Public Health SVCS NH DHHS 29 Hazen Drive Concord, NH 03301-6504	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/JSC 

Mission Statement

The primary mission of the organization is to work with low-income families and the elderly to assist them in their efforts to become or remain financially and socially independent. The Agency accomplished this task by providing a broad array of services that are locally defined, planned and managed.

Financial Statements

**COMMUNITY ACTION PROGRAM
BELKNAP-MERRIMACK COUNTIES, INC.**

**FOR THE YEARS ENDED FEBRUARY 28, 2013 AND 2012
AND
INDEPENDENT AUDITORS' REPORT**

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

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To the Board of Directors
Community Action Program of Belknap-Merrimack Counties, Inc.
Concord, New Hampshire

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Community Action Program of Belknap-Merrimack Counties, Inc. (a New Hampshire nonprofit organization), which comprise the statements of financial position as of February 28, 2013 and February 29, 2012, and the related statements of activities 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.

Auditor's 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 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 auditors' 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 Community Action Program of Belknap-Merrimack Counties, Inc. as of February 28, 2013 and 2012, 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 Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2013, on our consideration of Community Action Program of Belknap-Merrimack Counties, 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 Community Action Program of Belknap-Merrimack Counties, Inc.'s internal control over financial reporting and compliance.

*Leone, McDonnell + Roberts
Professional Association*

October 10, 2013
Concord, New Hampshire

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

STATEMENTS OF FINANCIAL POSITION
FEBRUARY 28, 2013 AND FEBRUARY 29, 2012

	<u>ASSETS</u>	
	<u>2013</u>	<u>2012</u>
CURRENT ASSETS		
Cash	\$ 1,205,452	\$ 2,027,864
Accounts receivable	3,484,861	3,431,174
Prepaid expenses	<u>424,367</u>	<u>527,020</u>
Total current assets	<u>5,114,680</u>	<u>5,986,058</u>
PROPERTY		
Land and buildings	4,618,289	4,618,289
Equipment	<u>5,935,585</u>	<u>5,909,477</u>
	10,553,874	10,527,766
Less accumulated depreciation	<u>(5,928,189)</u>	<u>(5,492,531)</u>
Property, net	<u>4,625,685</u>	<u>5,035,235</u>
OTHER ASSETS		
Investments	82,419	74,291
Due from related party	<u>139,441</u>	<u>139,441</u>
Total other assets	<u>221,860</u>	<u>213,732</u>
TOTAL ASSETS	<u>\$ 9,962,225</u>	<u>\$ 11,235,025</u>
	<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES		
Current portion of notes payable	\$ 129,407	\$ 122,029
Accounts payable	2,022,052	2,442,548
Accrued expenses	1,179,626	1,149,313
Refundable advances	<u>1,070,024</u>	<u>1,504,542</u>
Total current liabilities	4,401,109	5,218,432
LONG TERM LIABILITIES		
Notes payable, less current portion shown above	<u>1,744,319</u>	<u>1,871,566</u>
Total liabilities	<u>6,145,428</u>	<u>7,089,998</u>
NET ASSETS		
Unrestricted	2,909,675	3,127,371
Temporarily restricted	<u>907,122</u>	<u>1,017,656</u>
Total net assets	<u>3,816,797</u>	<u>4,145,027</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,962,225</u>	<u>\$ 11,235,025</u>

See Notes to Financial Statements

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED FEBRUARY 28, 2013
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED FEBRUARY 29, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2013 Total</u>	<u>2012 Total</u>
REVENUES AND OTHER SUPPORT				
Grant awards	\$ 19,545,688		\$ 19,545,688	\$ 21,051,500
Other funds	3,708,706	\$ 2,333,637	6,042,343	6,269,875
In-kind	1,066,723		1,066,723	1,143,537
United Way	<u>150,918</u>	<u> </u>	<u>150,918</u>	<u>145,880</u>
Total revenues and other support	24,472,035	2,333,637	26,805,672	28,610,792
NET ASSETS RELEASED FROM RESTRICTIONS	<u>2,444,171</u>	<u>(2,444,171)</u>	<u> </u>	<u> </u>
Total	<u>26,916,206</u>	<u>(110,534)</u>	<u>26,805,672</u>	<u>28,610,792</u>
EXPENSES				
Compensation	8,633,277		8,633,277	9,208,281
Payroll taxes and benefits	2,245,454		2,245,454	2,305,424
Travel	318,080		318,080	334,076
Occupancy	1,191,059		1,191,059	1,144,249
Program services	11,379,654		11,379,654	11,588,545
Other costs	1,780,824		1,780,824	2,549,575
Depreciation	518,831		518,831	529,623
In-kind	<u>1,066,723</u>	<u> </u>	<u>1,066,723</u>	<u>1,143,538</u>
Total expenses	<u>27,133,902</u>	<u> </u>	<u>27,133,902</u>	<u>28,803,311</u>
CHANGE IN NET ASSETS	(217,696)	(110,534)	(328,230)	(192,519)
NET ASSETS - BEGINNING OF YEAR	<u>3,127,371</u>	<u>1,017,656</u>	<u>4,145,027</u>	<u>4,337,546</u>
NET ASSETS - END OF YEAR	<u>\$ 2,909,675</u>	<u>\$ 907,122</u>	<u>\$ 3,816,797</u>	<u>\$ 4,145,027</u>

See Notes to Financial Statements

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 28, 2013 AND FEBRUARY 29, 2012**

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (328,230)	\$ (192,519)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	518,831	529,623
Donated equipment	26,080	-
Gain on sale of property	(3,242)	(19,068)
(Increase) decrease in current assets:		
Accounts receivable	(53,687)	1,195,179
Prepaid expenses	102,653	(88,703)
Increase (decrease) in current liabilities:		
Accounts payable	(420,496)	(112,608)
Accrued expenses	30,313	153,178
Refundable advances	<u>(434,518)</u>	<u>(245,677)</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(562,296)</u>	<u>1,219,405</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property	(139,369)	(464,455)
Investment in partnership	(8,128)	(6,362)
Proceeds from sale of property	<u>7,250</u>	<u>20,000</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(140,247)</u>	<u>(450,817)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term debt	<u>(119,869)</u>	<u>(131,193)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(119,869)</u>	<u>(131,193)</u>
NET (DECREASE) INCREASE IN CASH	(822,412)	637,395
CASH BALANCE, BEGINNING OF YEAR	<u>2,027,864</u>	<u>1,390,469</u>
CASH BALANCE, END OF YEAR	<u>\$ 1,205,452</u>	<u>\$ 2,027,864</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ 116,248</u>	<u>\$ 122,905</u>

See Notes to Financial Statements

COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED FEBRUARY 28, 2013**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Community Action Program Belknap – Merrimack Counties, Inc. (the Organization) is a New Hampshire nonprofit organization that serves nutritional, health, living and support needs of the low income and elderly clients in the two county service areas, as well as state wide. These services are provided with the financial support of various federal, state, county and local organizations.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

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 classes of net assets are determined by the presence or absence of donor restrictions. As of February 28, 2013 the Organization had no permanently restricted net assets and temporarily restricted net assets of \$907,122.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended February 29, 2012, from which the summarized information was derived.

Income Taxes

Community Action Program Belknap – Merrimack Counties, Inc. is organized as a nonprofit corporation and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Internal Revenue Service has determined them to be other than a private foundation.

Community Action Program of Belknap-Merrimack Counties, Inc. files information returns in the United States and the State of New Hampshire. Community Action Program of Belknap-Merrimack Counties, Inc. is no longer subject to examinations by tax authorities for years before 2009.

Accounting Standard Codification No. 740 (ASC 740), *Accounting for Income Taxes*, established the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. The Organization has analyzed its tax position taken on its income tax returns for the years (2009 through 2012), for the

purposes of implementation, and has concluded that no additional provision for income taxes is necessary in the Organization's financial statements.

Property

Property is recorded at cost, except for donated assets, which are recorded at fair value at the date of the donation. Assets purchased with a useful life in excess of one year and exceeding \$5,000 are capitalized unless a lower threshold is required by certain funding sources. Depreciation is computed on the straight line basis over the estimated useful lives of the related assets as follows:

Buildings and improvements	40 years
Equipment and office furniture	7 years
Vehicles	5 years
Computer hardware and software	3 years

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all liquid investments purchased with original maturities of three months or less to be cash equivalents. Community Action Program Belknap-Merrimack Counties, Inc. maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to these accounts.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support, depending on the nature of the restriction. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.

In-Kind Donations / Noncash Transactions

Donated facilities, services and supplies are reflected as revenue and expense in the accompanying financial statements, if the criteria for recognition is met. This represents the estimated fair value for the service, supplies and space that the Organization might incur under normal operating activities.

Advertising

The Organization expenses advertising costs as incurred.

2. **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 \$1,070,024 as of February 28, 2013.

3. RETIREMENT PLAN

The Organization has a qualified contributory pension plan which covers substantially all employees. The cost of the plan is charged to programs administered by the Organization. The expense of the plan for the year ended February 28, 2013 was \$368,026.

4. LEASED FACILITIES

Facilities occupied by the Organization for its community service programs are leased under various operating leases. The lease terms range from month to month to every two years. For the year ended February 28, 2013, the annual lease expense for the leased facilities was \$525,767.

The approximate future minimum lease payments on the above leases are as follows:

<u>Year Ended February 28</u>	<u>Amount</u>
2014	\$ 149,815
2015	<u>33,631</u>
Total	<u>\$ 183,446</u>

5. ACCRUED EARNED TIME

The Organization has accrued a liability for future annual leave time that its employees have earned and vested in the amount of \$446,087 at February 28, 2013.

6. LONG TERM DEBT

Long term debt consisted of the following as of February 28, 2013:

5.75% note payable to a financial institution in monthly installments for principal and interest of \$12,373 through July, 2023. The note is secured by property of the Organization for Lakes Region Family Center. \$ 1,300,888

Note payable to a bank in monthly installments for principal and interest of \$4,494 through April, 2023. Interest is stated at 1% above the prime rate as published by the Wall Street Journal, which resulted in an interest rate of 4.25% at February 28, 2013. The note is secured by a first real estate mortgage and assignment of rents and leases on property located in Concord, New Hampshire for Early Head Start. 447,321

3% note payable to the City of Concord for leasehold improvements in monthly installments for principal and interest of \$747 through May, 2027. The note is secured by property of the Organization for the agency administrative building renovations.	103,802
4.75% note payable to Rural Development in monthly installments for principal and interest of \$148 per month through September, 2031. The note is secured by property of the Organization for Franklin Community Services building.	<u>21,715</u>
Total	1,873,726
Less amounts due within one year	<u>129,407</u>
Long term portion	<u>\$ 1,744,319</u>

The scheduled maturities of long term debt as of February 28, 2013 were as follows:

<u>Year Ending February 28</u>	<u>Amount</u>
2014	\$ 129,407
2015	137,236
2016	145,551
2017	154,380
2018	163,753
Thereafter	<u>1,143,399</u>
	<u>\$ 1,873,726</u>

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of February 28, 2013:

Land	\$ 168,676
Building and improvements	4,449,613
Equipment	<u>5,935,585</u>
	<u>\$ 10,553,874</u>

Depreciation expense for the year ended February 28, 2013 was \$518,831.

8. CONTINGENCIES

The Organization receives grant funding from various sources. Under the terms of these agreements, the Organization is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the Organization might be required to repay the funds. No provisions have been made for this

contingency because specific amounts, if any, have not been determined or assessed as of February 28, 2013. Monitoring has not indicated any discrepancies.

9. CONCENTRATION OF RISK

For the year ended February 28, 2013, approximately \$11,301,000 (42%) of the Organization's total revenue was received from the Department of Health and Human Services. The future scale and nature of the Organization is dependent upon continued support from this department.

The Organization maintains its cash accounts in several financial institutions in southern New Hampshire. At February 28, 2013, the balances were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Effective July 1, 2010, one of the financial institutions agreed to collateralize all deposits with them in excess of the FDIC limit. Another financial institution agreed to collateralize the Organization's sweep repurchase account up to 110% of the account balance with US Government Agencies. At February 28, 2013, there were no deposits in excess of the uninsured limits.

10. TEMPORARILY RESTRICTED NET ASSETS

At February 28, 2013, temporarily restricted net assets consisted of the following unexpended, purpose restricted donations:

Restricted Purpose

Agency Fuel Assistance Program	\$	31,029
Nutrition and Elder Services		604,678
Caring Fund		14,709
Common Pantry		7,135
Software Program-FAP/EAP		781
Senior Center		122,102
Agency Head Start		106,508
Agency Family Planning and Prenatal Program		9,043
NH Food Pantry Coalition		663
Agency Senior Companion Program		5,404
NH Rotary Food Challenge		<u>5,070</u>
	\$	<u>907,122</u>

11. STATEMENT OF FUNCTIONAL EXPENSES

The Statement of Activities discloses expenses by natural classification. The classification of expenses by function is summarized below:

	<u>Program</u>	<u>Management</u>	<u>Total</u>
Salaries and wages	\$ 8,206,340	\$ 426,937	\$ 8,633,277
Benefits and payroll taxes	2,126,957	118,497	2,245,454
Travel	315,110	2,970	318,080
Occupancy	1,092,178	98,881	1,191,059
Program services	11,379,654		11,379,654

Other costs:			
Accounting fees	18,290	29,844	48,134
Legal fees	9,264	1,452	10,716
Supplies	243,980	28,746	272,726
Postage and shipping	59,575	994	60,569
Equipment rental and maintenance	17,367	694	18,061
Printing and publications	5,282	49	5,331
Conferences, conventions and meetings	2,790	13,888	16,678
Interest	108,936	7,312	116,248
Insurance	183,556	32,212	215,768
Membership fees	9,356	11,126	20,482
Utility and maintenance	5,868	56,739	62,607
Other	911,807	21,697	933,504
Depreciation	512,250	6,581	518,831
In kind	1,066,723		1,066,723
	<u>\$ 26,275,283</u>	<u>\$ 858,619</u>	<u>\$ 27,133,902</u>

12. RELATED PARTY TRANSACTIONS

Community Action Program Belknap – Merrimack Counties, Inc. is related to the following corporation as a result of common management:

<u>Related Party</u>	<u>Function</u>
CAPBMC Development Corporation	Real Estate Development

Development Service Agreement

Community Action Program Belknap – Merrimack Counties, Inc. has a development services agreement with Sandy Ledge Limited Partnership whose purpose is to acquire, rehabilitate and operate a qualified low-income apartment building as defined by Internal Revenue Code Section 42. CAPBMC Development Corporation is the general partner in Sandy Ledge Limited Partnership. The agreement called for payment of services in the amount of \$194,000. The amount due from Sandy Ledge Limited Partnership at February 28, 2013 totaled \$139,441.

13. RECLASSIFICATION

Certain amounts and accounts from the prior year financial statements have been reclassified to enhance the comparability with the presentation of the current year.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Community Action Program of Belknap-Merrimack Counties, Inc. is a limited liability company member of Community Provider Network of Central NH, LLC. The investment total at February 28, 2013 was \$35,000.

The Organization has also invested money relating to its Fix-it program in certain mutual funds. The fair market value of the mutual funds totaled \$47,419 at February 28, 2013.

ASC Topic No. 820-10, Financial Instruments, provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with FASB ASC 820, the Organization may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, FASB ASC 820 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

At February 28, 2013, the Organization's investments were classified as Level 1 and 3 and were based on fair value.

Fair Value Measurements using Significant Observable Inputs (Level 1)

Beginning balance – mutual funds (at fair value)	\$ 39,291
Total gains or (losses) - realized /unrealized	4,815
Purchases	<u>3,313</u>
Ending Balance – mutual funds	<u>\$ 47,419</u>

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

Beginning balance (at fair value)	\$ 35,000
Total gains or (losses) - realized/unrealized	<u>-</u>
Ending Balance	<u>\$ 35,000</u>

The carrying amount of cash, current assets, other assets and current liabilities, approximates fair value because of the short maturity of those instruments.

15. **FISCAL AGENT**

Community Action Program Belknap-Merrimack Counties, Inc. acts as the fiscal agent for the following community organizations: Franklin Community Services Building (Franklin), the Common Pantry (Laconia), the Caring Fund (Meredith), the NH Food Pantry Coalition, and the NH Rotary Food Challenge. The Agency provides the management and oversight of the revenues received (donations) and the expenses (utilities, food and emergency services).

16. **SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the balance sheet 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 balance sheet date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after that date. Management has evaluated subsequent events through October 10, 2013, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

(See Independent Auditors' Report)

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED FEBRUARY 28, 2013**

FEDERAL GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS THROUGH GRANTOR NUMBER	EXPENDITURES
<u>US DEPT. OF HEALTH AND HUMAN SERVICES</u>			
Head Start	93.600	N/A	\$ 3,703,275
Through State of New Hampshire			
Weatherization-HRRP	93.568		82,023
Fuel Assistance	93.568	611001	4,409,813
Fuel Assistance-SEAS	93.044	611001	6,729
Title III Part C	93.045	410338	902,541
Community Services Block Grant	93.569	610155	412,049
Community Services Block Grant Discretionary	93.570		24,240
Title XX - Block Grant	93.667	410338	558,596
Family Planning	93.217	610237	121,249
Family Planning	93.558	610237	38,619
Family Planning	93.940	610237	4,710
Public Health Network - (ID-PICS)	93.069		39,812
Public Health Network - (ID-PICS)	93.283		3,927
Public Health Network - (ID-PICS)	93.268		11,484
Title III Part B Rural Transportation	93.044	410338	258,053
TANF - Home Visiting	93.558	N/A	2,281
Home Visiting New Hampshire	93.505		32,417
Prenatal	93.994	520243	26,167
Merrimack County Service Link Program	93.778	N/A	91,317
Merrimack County Service Link Program	93.052	N/A	20,572
Merrimack County Service Link Program	93.667	N/A	8,231
Merrimack County Service Link Program	93.048	N/A	7,545
Merrimack County Service Link Program	93.779	N/A	19,333
Elder Services/NSIP	93.053	410338	222,944
Through Southern New Hampshire Services			
Workplace Success	93.558	N/A	280,809
Through Lakes Region Partnership for Public Health			
MIPPA	93.518		4,875
MIPPA	93.779		1,625
MIPPA	93.791		5,725
			<u>11,300,961</u>
<u>US DEPARTMENT OF AGRICULTURE</u>			
Through State of New Hampshire			
WIC	10.557	611080	823,408
CSFP	10.565	611080	1,032,566
Senior Farmers Market	10.576		93,364
Surplus Food-TEFAP/Admin	10.568	N/A	105,577
Surplus Food-TEFAP	10.569	N/A	1,072,985
CACF Head Start/USDA	10.558	N/A	195,295
Summer Food-USDA	10.559		136,863
			<u>3,460,058</u>
<u>CORPORATION FOR NATIONAL SERVICES</u>			
Senior Companion	94.016	N/A	<u>398,054</u>

US DEPARTMENT OF TRANSPORTATION**Through State of New Hampshire**

Concord Area Transit	20.509		481,406
Concord Area Transit-New Freedom	20.521		2,546
Concord Area Transit-JARC	20.516		67,074
Winnepesaukee Transit System	20.509	68022	63,324
ARRA-Winnepesaukee Transit System	20.509		7,882
ARRA-Concord Area Transit	20.509		8,670
ARRA-Concord Area Transit-JARC	20.516		7,094
5309 Capital Advance	20.500		1,491

Through County of Merrimack

Volunteer Driver Program	20.513		32,278
			<u>671,765</u>

US DEPARTMENT OF JUSTICE**Through State of New Hampshire**

ARRA-Therapeutic Classroom	16.801		<u>21,102</u>
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US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**Through New Hampshire Housing Finance Authority**

Statewide Lead Abatement Program	14.900		737,642
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Through State of New Hampshire

ESG - New Start/Outreach Program	14.235	N/A	162,051
Homeless Prevention	14.235	N/A	13,072
ARRA-Homeless Prevention & Rapid Re-housing	14.257		83,864
Supportive Housing Services	14.235		66,429
			<u>1,063,058</u>

US DEPARTMENT OF ENERGY**Through State of New Hampshire**

Weatherization	81.042	551896	121,870
ARRA-Weatherization	81042		315,051
MH Park Weatherization	81.042	N/A	261,052
			<u>697,973</u>

US DEPARTMENT OF LABOR**Through State of New Hampshire**

Senior Community Service Employment	17.235	610063	540,614
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Through Southern New Hampshire Services

WIA-Adult Program	17.258	N/A	110,544
WIA-Dislocated Worker Program	17.260	N/A	113,650
			<u>764,808</u>

Homeland Security**Through State of New Hampshire**

Emergency Management Performance Grant	97.042	N/A	8,281
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Through United Way

Emergency Food and Shelter Program	97.024	N/A	1,362
			<u>9,643</u>

TOTAL AWARDS EXPENDED

\$ 18,387,422

NOTE A - BASIS OF PRESENTATION

The schedule of Expenditures of Federal Awards includes federal grant activity of Community Action Program of Belknap - Merrimack Counties, Inc. and is presented on the accrual basis of accounting. 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 Community Action Program of Belknap-Merrimack Counties, Inc., it is not intended to and does not present the financial position, change in net assets, or cash flows of Community Action Program of Belknap-Merrimack Counties, Inc.

COMMUNITY ACTION PROGRAM OF BELKNAP-MERRIMACK COUNTIES, INC.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Community Action Program of Belknap-Merrimack Counties, Inc.
Concord, 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 Community Action Program of Belknap-Merrimack Counties, Inc. (New Hampshire nonprofit organization), which comprise the statement of financial position as of February 28, 2013, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 10, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Action Program of Belknap-Merrimack Counties, 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Action Program of Belknap-Merrimack Counties, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Community Action Program of Belknap-Merrimack Counties, Inc.'s 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 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

October 10, 2013
Concord, New Hampshire

COMMUNITY ACTION PROGRAM OF BELKNAP-MERRIMACK COUNTIES, INC.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
Community Action Program of Belknap-Merrimack Counties, Inc.
Concord, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited Community Action Program of Belknap-Merrimack Counties, 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 Community Action Program of Belknap-Merrimack Counties, Inc.'s major federal programs for the year ended February 28, 2013. Community Action Program of Belknap-Merrimack Counties, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Community Action Program of Belknap-Merrimack Counties, 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 Community Action Program of Belknap-Merrimack Counties, 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 Community Action Program of Belknap-Merrimack Counties, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Community Action Program of Belknap-Merrimack Counties, 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 February 28, 2013.

Report on Internal Control Over Compliance

Management of Community Action Program of Belknap-Merrimack Counties, 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 Community Action Program of Belknap-Merrimack Counties, 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 Community Action Program of Belknap-Merrimack Counties, 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*

October 10, 2013
Concord, New Hampshire

COMMUNITY ACTION PROGRAM OF BELKNAP-MERRIMACK COUNTIES, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED FEBRUARY 28, 2013**

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Community Action Program of Belknap-Merrimack Counties, Inc.
2. No material weaknesses or significant deficiencies relating to the audit of the 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 financial statements of Community Action Program of Belknap-Merrimack Counties, 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 Required by OMB Circular A-133*.
5. The auditors' report on compliance for the major federal award programs for Community Action Program of Belknap-Merrimack Counties, 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 include:
 - 93.600 Head Start
 - 93.045 Title III Part C
 - 93.044 Title III Part B
 - 93.053 Elder Services/Nutrition Service Incentive Program
 - 93.569 Community Services Block Grant
 - 93.667 Title XX Block Grant
 - 14.900 Statewide Lead Abatement Program
 - 14.235 Supportive Housing Services
 - 81.042 Weatherization
 - 81.042 ARRA Weatherization
 - 17.235 Senior Community Service Employment
 - 17.258 WIA – Adult Program
 - 17.260 WIA – Dislocated Worker Program
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Community Action Program of Belknap-Merrimack Counties, Inc. was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS AUDIT

None

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM - CFDA 93.568
FOR THE YEAR ENDED FEBRUARY 28, 2013**

	<u>Grant Period 10/1/12-9/30/12</u>	<u>Grant Period 10/1/12-9/30/13</u>	<u>Total</u>
Revenues			
Division of Human Resources	\$ 1,097,863	\$ 3,311,950	\$ 4,409,813
Other	<u>7,822</u>	<u></u>	<u>7,822</u>
	<u>\$ 1,105,685</u>	<u>\$ 3,311,950</u>	<u>\$ 4,417,635</u>
Expenditures			
Personnel	\$ 214,574	\$ 106,025	\$ 320,599
Fringe benefits	29,868	17,949	47,817
Travel	3,403	2,099	5,502
Occupancy	28,818	24,972	53,790
Direct program costs	794,872	3,132,651	3,927,523
Other costs	<u>34,150</u>	<u>28,254</u>	<u>62,404</u>
	<u>\$ 1,105,685</u>	<u>\$ 3,311,950</u>	<u>\$ 4,417,635</u>

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE SENIOR COMPANION PROGRAM - CFDA 94.016
FOR THE YEAR ENDED FEBRUARY 28, 2013

	<u>Grant Period</u> <u>7/1/11 - 6/30/12</u>	<u>Grant Period</u> <u>7/1/12 - 6/30/13</u>	<u>Total</u>
Revenues			
Corporation for National Services	<u>\$ 126,509</u>	<u>\$ 271,545</u>	<u>\$ 398,054</u>
Expenditures			
Personnel	\$ 85,160	\$ 148,129	\$ 233,289
Fringe benefits	-	20,186	20,186
Travel	38,265	70,987	109,252
Other costs	<u>3,605</u>	<u>32,243</u>	<u>35,848</u>
	<u>\$ 127,030</u>	<u>\$ 271,545</u>	<u>\$ 398,575</u>

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE HEAD START PROGRAM - CFDA 93.600
FOR THE YEAR ENDED FEBRUARY 28, 2013**

	<u>Grant Period</u> <u>1/1/12-12/31/12</u>	<u>Grant Period</u> <u>1/1/13-12/31/13</u>	<u>Total</u>
Revenues			
U.S. Department of Health and Human Services	\$ 3,036,096	\$ 667,179	\$ 3,703,275
In-Kind	<u>804,274</u>	<u>229,596</u>	<u>1,033,870</u>
	<u>\$ 3,840,370</u>	<u>\$ 896,775</u>	<u>\$ 4,737,145</u>
Expenditures			
Personnel	\$ 1,980,245	\$ 459,983	\$ 2,440,228
Fringe benefits	258,175	56,771	314,946
Travel	33,052	7,997	41,049
In-Kind	804,274	229,596	1,033,870
Other costs	<u>764,624</u>	<u>142,428</u>	<u>907,052</u>
	<u>\$ 3,840,370</u>	<u>\$ 896,775</u>	<u>\$ 4,737,145</u>

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE NUTRITION AND ELDER SERVICES PROGRAM -
CFDA 93.045, 93.667 and 93.053
FOR THE YEAR ENDED FEBRUARY 28, 2013

	<u>Grant Period</u> <u>7/1/11 - 6/30/12</u>	<u>Grant Period</u> <u>7/1/12 - 6/30/13</u>	<u>Total</u>
Revenues			
US Department of Health and Human Services:			
Title XX	\$ 151,892	\$ 406,704	\$ 558,596
Title III Part C	281,104	621,437	902,541
NH Department of Health and Human Services	116,706	106,238	222,944
Other	<u>206,406</u>	<u>417,423</u>	<u>623,829</u>
	<u>\$ 756,108</u>	<u>\$ 1,551,802</u>	<u>\$ 2,307,910</u>
Expenditures			
Personnel	\$ 351,629	\$ 742,874	\$ 1,094,503
Fringe benefits	32,493	78,811	111,304
Occupancy	54,196	107,062	161,258
Travel	43,720	86,507	130,227
Other costs	<u>260,020</u>	<u>513,086</u>	<u>773,106</u>
	<u>\$ 742,058</u>	<u>\$ 1,528,340</u>	<u>\$ 2,270,398</u>

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE ELECTRIC ASSISTANCE PROGRAM
FOR THE YEAR ENDED FEBRUARY 28, 2013**

	<u>Grant Period</u> <u>10/1/11-9/30/12</u>	<u>Grant Period</u> <u>10/1/12-9/30/13</u>	<u>Total</u>
Revenues	<u>\$ 888,072</u>	<u>\$ 987,837</u>	<u>\$ 1,875,909</u>
Expenditures			
Personnel	\$ 156,951	\$ 112,976	\$ 269,927
Fringe benefits	29,247	21,385	50,632
Travel	1,669	843	2,512
Occupancy	15,846	4,492	20,338
Other costs	<u>684,359</u>	<u>848,141</u>	<u>1,532,500</u>
	<u>\$ 888,072</u>	<u>\$ 987,837</u>	<u>\$ 1,875,909</u>

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**SCHEDULE OF REVENUES AND EXPENDITURES - BY PROGRAM
FOR THE YEAR ENDED FEBRUARY 28, 2013**

	<u>Revenues</u>	<u>Expenses</u>
Tornado Relief Fund (018)	8,281	8,281
Twin River Community Corp (052 & 053)	27,326	44,185
Cottage Hotel (063 & 064)	24,530	12,141
Sandy Ledge (092 & 093)	10,597	19,509
Ozanam (103 & 104)	23,801	23,728
Senior Center Program (138)	169,798	16,731
Franklin Intergenerational (183 & 184)	63,888	45,912
Senior Companion Program - Non-Federal (222 & 223)	49,035	48,544
Senior Companion Program - State (232 & 233)	33,480	34,152
Franklin Community Services (292 & 293)	24,420	23,633
Head Start - Childcare (352 & 353)	1,056,899	1,091,218
Belknap County - WXN Program (374)	5,415	696
Lakes Region Family Center (382 & 383)	158,900	158,900
REIP (402)	162,587	162,587
Purchase Rehabilitation Project (426)	213,824	213,824
NH Modular Ramp (431 & 432)	76,599	67,982
National Grid Program (472)	174,532	189,571
New Hampshire Housing Guarantee Program (492 & 493)	188,308	198,732
Core Program (502 & 503)	550,420	668,709
NH Rotary (540)	2	-
Common Pantry (552 & 553)	1,227	54
Software Program - FAP/EAP (583)	-	6,098
Oral Health WIC (600)	4,463	-

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

SCHEDULE OF REVENUES AND EXPENDITURES - BY PROGRAM
FOR THE YEAR ENDED FEBRUARY 28, 2013

	<u>Revenues</u>	<u>Expenses</u>
Bedside Pilot Program (632)	1,674	1,674
Epsom Elderly Housing (642 & 643)	62,694	77,552
Belmont Housing (652 & 653)	67,442	69,442
Alton Housing (662 & 663)	52,757	52,240
Kearsarge Housing (672 & 673)	66,864	66,864
Riverside Housing (682 & 683)	76,569	76,569
Pembroke Housing (707 & 708)	54,127	54,127
Homeless Revolving Loan (728)	15,457	15,457
Area Centers (762 & 763)	265,554	344,107
Home Access Program (774)	2,981	2,981
THE FIXIT Program (832 & 833)	14,854	11,887
Loan Guarantee Program (847)	82,620	82,620
MC Loan Guarantee Program (848)	2,666	2,666
The Caring Fund (862 & 863)	6,976	4,294
Agency WIC & CSF (883)	5,515	225
Newbury Elderly Housing (884)	43,365	43,365
Housing Future (892)	20,000	20,000
Agency Account (911 & 980)	89,800	221,899
Agency Account FAP (922)	75,632	103,380
Agency Account SCP (931 & 932)	18,522	10,379
H/S Agency (942 & 943)	(49,635)	(16,111)
Agency FP/PN (963)	144	55
Saving Heat & Reducing Energy (970)	169,798	169,992
Agency Horseshoe Pond Place (993 & 994)	28,679	28,679

COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.

**SCHEDULE OF REFUNDABLE ADVANCES
FOR THE YEAR ENDED FEBRUARY 28, 2013**

<u>FUND #</u>	<u>FUND NAME</u>	<u>HHS PROGRAM CFDA#</u>	<u>AMOUNT</u>
018	Tornado Relief Fund		\$ 19,161
045	Supportive Housing Services		3,651
154	Merrimack County Service Link	93.778	3,090
163	Elder Services Program	93.045,93.667 (amount is not federal)	8,647
194	Electric Assistance Program		67,657
223	Senior Companion Program - Non-Federal		667
263	Rural Transportation Service	93.044	42,508
343	Head Start - USDA		10,531
372	Greater Lakes Child Advocacy		5,000
483	Public Health Network	93.069,93.283,93.268	6,421
493	NH Housing Guarantee Program		104,833
573	Fuel Assistance Program	93.568	356,905
593	Homeless Prevention		186,975
613	WIC		926
623	Commodity Supplemental Food Supply		1,199
713	Concord Area Transit		61,288
728	Homeless Revolving Loan Fund-Belknap County		46,527
729	Homeless Revolving Loan Fund-Merrimack County		8,179
733	Winnepesaukee Transit System		211
746	Community Crisis Fund		3,578
763	Area Center Program		1,476
803	Shelter Program		168
833	FixIt Program		49,918
847	Loan Guarantee Program		30
854	New Start Program		6,650
904	Community Services Block Grant	93.569	<u>73,828</u>
	TOTAL		<u>\$ 1,070,024</u>



Community Action Program Belknap—Merrimack Counties, Inc.



P.O. Box 1016 ♦ 2 Industrial Park Drive ♦ Concord, NH 03302-1016
Phone (603) 225-3295 ♦ Toll Free (800) 856-5525 ♦ Fax (603) 228-1898 ♦ Web www.bm-cap.org

Effective 12/2/13

BOARD OF DIRECTORS

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Nicolette Clark

Susan Koerber

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Cindy Cantelo

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ALTON
Senior Center.....876-7102
Prospect View Housing ... 876-3111

BELMONT
Senior Center.....267-4867
Heritage Trer. Housing.....267-8801

BRADFORD
Senior Center.....838-2104

CONCORD
Area Center.....225-8880
Head Start.....224-6482
Early Head Start.....224-6482
Concord Area
Meals-on-Wheels.....325-8082
Concord Area Transit.....225-1989
Horseshoe Pond Place.....228-8966
WPC/SFP.....225-2060
Workplace Success.....223-2305

EPSOM
Meadow Brook Housing ...738-8260

FRANKLIN
Area Center.....934-3444
Head Start.....934-2181
Early Head Start.....934-2181
Senior Center.....934-4151
Riverside Housing.....934-0340

KEARSARGE VALLEY
Area Center.....408-2287
Head Start.....408-2288
North Ridge Housing.....408-3398

LACONIA
Area Center.....524-5612
Head Start.....528-5334
Early Head Start.....528-5334
Senior Center.....524-7889
Family Planning.....524-6483
Prenatal.....524-6453
Wrenthamsukas Transit.....528-3498
Workplace Success.....524-4387

MEREDITH
Area Center.....278-4086
Senior Center.....278-5831

OSSIPEE
Family Planning.....539-7552
Prenatal.....539-7552

PEMBROKE
Village at Pembroke Farms
Housing.....488-1842

PITTSFIELD
Senior Center.....436-8482
Head Start.....436-5518
Early Head Start.....436-8511

SUNCOOK
Area Center.....485-7824
Senior Center.....485-4354

TILTON
Senior Center.....527-8291

RALPH LITTLEFIELD

EDUCATION

High School – Winnacunnet High School, Graduated June 1966
College – Keene State College, Keene, NH, Graduated May 1971
Degree – Bachelor of Education

EMPLOYMENT

January 1980 – Present

Community Action Program Belknap-Merrimack Counties, Inc.
Executive Director

Responsible for the general administration of the agency which is comprised of 85 major programs and has an annual budget in excess of \$37 million dollars and a staff of 410 employees.

June 1978 – January 1980

Southwestern Community Services, Inc., Keene, New Hampshire
Deputy Director

1976 – June 1978

Southwestern Community Services, Inc., Keene, New Hampshire
Head Start Director

1974 – 1975

Southwestern Community Services, Inc., Keene, New Hampshire
Program Coordinator-Food Stamp Program, Green Thumb Project,
Nutrition West

1974 – Head Counselor, Summer Neighborhood Youth Corps

1972 – Assistant Head Start Director, Cheshire County Head Start
Claremont, New Hampshire

June 1971 – General Services Director

MARY A. THOMAS

OBJECTIVE: I desire a job where I can use the skills and knowledge that I have acquired.

EXPERIENCE:

2010 – Present Program Assistant, Homeless and Family Housing
Community Action Program Belknap-Merrimack Counties, Inc.
Provide clerical support and assist with the oversight of the agency's Security Deposit Guarantee Program, Homeless Housing Revolving Loan Fund, Emergency Assistance Program and Homeless Prevention and Rapid Re-Housing Program.

2008-2010 Receptionist/Housing Intake Referral Specialist
The Way Home, Manchester, NH (603) 627-3491
Responsible for the front desk; wrote client intakes, answered phones, scheduled appointments, and referred clients to available services in the area. Also assisted with the security deposit loan, HPRP and transitional housing programs.

2007 Coordinator
Lifetouch Photography, Manchester, NH (603) 606-4412
Coordinated the students and photographers on school picture day.

2005-2007 Independent Insurance Agent

2001-2005 Telephone Service Representative
Abacus Communications, Manchester, NH (603) 668-2820
Placed catalog orders, job applications, set appointments, performed customer service for some companies while working with a number of computer programs and systems.

1999-2001 Front Desk Clerk
Days Inn, Concord, NH (603) 224-2511
Checked customers in and out of rooms, took reservations, negotiated prices, ran the breakfast, handled complaints and answered phones.

2000-2001 Substitute Library Aide
Weare Public Library, Weare, NH (603) 529-2044
Checked materials in and out, helped patrons find information sources, shelved materials, and occasionally ran the story hour.

1989-1999 Field Representative
U.S. Bureau of the Census, Boston, MA
Collected data by interviewing occupants at given addresses, planned workload and travel routes and researched county records while working independently from home.

EDUCATION:

High School Diploma-1971, George Washington High School, Charleston, WV
Machine Shop certificate 1976, Utah Vo-Tech, Salt Lake City, Utah

Community Action Program Belknap-Merrimack Counties, Inc.

**Department of Health and Human Services
Office of Human Services**

**Continuum of Care Program
Bow/Glen Housing Program (BGHP) 12/01/14 – 11/30/15**

Key Personnel Salaries and Allocation

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Ralph Littlefield	Executive Director	\$ 120,651.50	0%	\$ 0.00
Mary Thomas	Program Assistant, Homeless & Family Housing	\$ 24,804.00	.08%	\$ 2,000.00

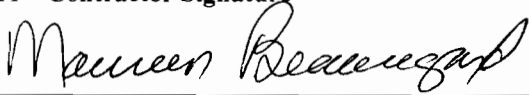
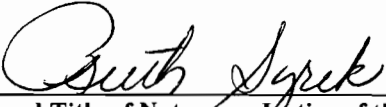
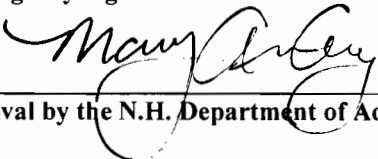
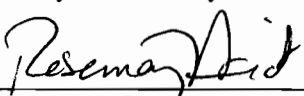
Subject: Continuum of Care Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Families in Transition		1.4 Contractor Address 122 Market Street Manchester, NH 03101	
1.5 Contractor Phone Number (603) 641-9441	1.6 Account Number 010-042-7927-102-0731	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$68,585.00
1.9 Contracting Officer for State Agency Erric D. Borrin		1.10 State Agency Telephone Number (603) 271-9558	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Maureen Beauregard, President	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>3/12/14</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]  RUTH A. SYREK, Notary Public My Commission Expires October 16, 2018			
1.13.2 Name and Title of Notary or Justice of the Peace Ruth Syrek, Admin Asst., Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory MARY ANN COONEY Associate Commissioner	
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>3-24-14</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.

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

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

Continuum of Care Program

1. CONDITIONAL NATURE OF AGREEMENT

1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care Grant. The State has applied for the Continuum of Care Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the Continuum of Care Grant.

2. SERVICES

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, the Contractor shall provide a permanent housing program that shall serve nine (9) homeless individuals with disabilities.
- 2.2. The goal of this program is to facilitate the movement of homeless individuals to permanent housing and maximum self-sufficiency.
- 2.3. To be eligible for contract services, individuals must be homeless as defined in HUD regulations. The Contractor must obtain and retain appropriate documentation.
- 2.4. The Contractor shall provide these services according to HUD regulations as outlined in Public Law 102-550, 24 CFR Part 578 Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program interim rule, and other written HUD policies and directives.
- 2.5. Each program participant shall have an employment assessment and employment goals included in the individual service plan, as appropriate.

3. PROGRAM REPORTING REQUIREMENTS

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report: Within thirty (30) days after the Completion Date, an Annual Performance Report (APR) shall be submitted to the BHHS that summarizes the results of the Project Activities, showing in particular how the Project Activities have been performed. The Annual Performance Report shall be in the form required or specified by the State.

3.1.2. Other Reports as requested by the State.

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Current NH HMIS policy can be accessed electronically through the following website: <http://www.nh-hmis.org>.



Exhibit A

3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by the BHHS.

4. CONTRACT ADMINISTRATION

- 4.1. The Contractor shall have appropriate levels of staff attend all meetings or trainings requested by the BHHS. To the extent possible, BHHS shall notify the contractor of the need to attend such meetings five working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with contractor performance.
- 4.3. The Contractor shall inform BHHS of any staffing changes.
- 4.4. Contract records shall be retained for a period of five (5) years following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and the BHHS.

5. FINANCIAL

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

5.1.1. Operating Expenses

5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.

5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter- and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

5.1.2. Supportive Services

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



Exhibit A

5.1.2.2. Eligible costs include mental health services, case management services, salaries of Contractor staff providing supportive services, reasonable one-time moving costs (truck rental and hiring a moving company), child-care costs for establishing and operating child care, and providing child-care vouchers for children from families experiencing homelessness (including providing meals and snacks and comprehensive and coordinated developmental activities), education services, employment assistance and job training skills, housing search and counseling services, legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing), outpatient health services, transportation services, and utility deposits.

5.1.2.3. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.

5.1.3. Rental Assistance

5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.

5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.

5.1.3.3. Long-term rental assistance must be administered by someone other than the Contractor. The Contractor must have a Memorandum of Understanding (MOU), with a State, unit of general local government, or a public housing agency.

5.1.3.4. Short or medium term rental assistance provided under the Rapid ReHousing program component is not subject to requirements in 578.51 (b), and is not required to be administered by a state, unit of local government, or public housing agency.

5.1.3.5. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.

5.1.3.6. Rental assistance will only be provided for a unit if the rent is reasonable. The contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.



Exhibit A

- 5.1.3.7. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits in an amount not to exceed two month's rent, advance payment of first month's rent and/or advance payment of last month's rent.
 - 5.1.3.8. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
 - 5.1.3.9. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
 - 5.1.3.10. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and sub recipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid ReHousing program component must be tenant based rental assistance.
 - 5.1.3.11. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
 - 5.1.3.12. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
 - 5.1.3.13. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative Costs
- 5.1.4.1. Administrative costs include: Preparing program budgets, schedules and amendments, developing systems for assuring compliance with program requirements, developing interagency agreements and agreements with sub recipients and contractors to carry out program activities, preparing reports and other documents related to the program for submission to HUD, evaluating program results against stated objectives, travel costs incurred for official business in carrying out the program, administrative

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Exhibit A

services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services), and other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

- 5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).
 - 5.2.1. The contractor must match all grant funds except for leasing funds, with no less than twenty-five percent of funds or in-kind contributions from other sources.
 - 5.2.2. Match requirements are to be documented with each payment request.
- 5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 4.1. The Contractor must have written approval from the State prior to billing for any other expenses.
- 5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 583.315). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.5. The contractor shall have any staff charged in full or part to this contract or counted as match complete weekly or bi-weekly timesheets.



Exhibit B

METHOD AND CONDITIONS PRECEDENT TO PAYMENT

Continuum of Care Program

The following financial conditions apply to the scope of services as detailed in Exhibit A – Continuum of Care Program.

This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund: Not applicable

Federal Funds:

CFDA #: 14.235

Federal Agency: U.S. Department of Housing & Urban Development

Program Title: Continuum of Care Program

Total Amount Continuum of Care Program;

July 1, 2014 – June 30, 2015: not to exceed \$68,585.00

Funds allocation under this agreement for Continuum of Care Program;

Supportive Services: \$66,827.00

Administrative costs: \$1,758.00

Total program amount: \$68,585.00

1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, in an amount not to exceed and for the time period specified above.

2. PROJECT COSTS: PAYMENT SCHEDULE; REVIEW BY THE STATE

2.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in OMB Circular A-87 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of OMB Circular A-122.

2.2. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount not to exceed as



Exhibit B

specified above. Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor shall provide additional financial information if requested by the State to verify expenses.

- 2.3. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture pursuant to 24 CFR Subsection 576.55. The funds authorized to be expended under this Agreement shall be used only for operations, supportive services, leasing, rental assistance and administration or reimbursement for expenditures for operations, supportive services, leasing, and rental assistance and administration, provided by the Contractor for the project period and operating years of the Continuum of Care Program as approved by HUD and in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578.

3. USE OF GRANT FUNDS

- 3.1. The State agrees to provide payment for actual costs, up to the not to exceed amount for the Continuum of Care Program as specified in this Exhibit, as defined by HUD under the provisions of P.L. 102-550 and applicable regulations.
- 3.2. The Contractor may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval from the State.
- 3.3. Conformance to OMB Circular A-110: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in OMB Circular A-110.

4. CONTRACTOR FINANCIAL MANAGEMENT SYSTEM

- 4.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
- 4.2. The Contractor shall maintain a financial management system that complies with Attachment G of A-102, "Standards of Contractor Financial Management Systems" or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2 of this Agreement.



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.

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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.



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

MD



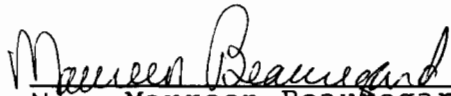
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
 - 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 in Transition

3/12/14
Date


Name: Maureen Beaupregard
Title: President



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

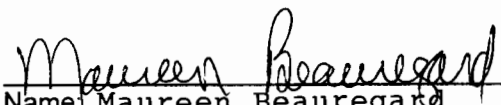
The undersigned certifies, to the best of his or her knowledge and belief, that:

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: Families in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



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

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

INSTRUCTIONS FOR CERTIFICATION

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



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

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

PRIMARY COVERED TRANSACTIONS

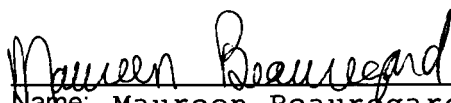
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 -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

LOWER TIER COVERED TRANSACTIONS

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

Contractor Name: Families in Transition

3/12/14
Date


Name: Maureen Beaugard
Title: President



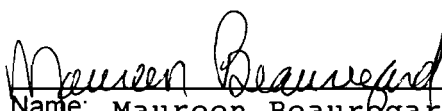
CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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: Families in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

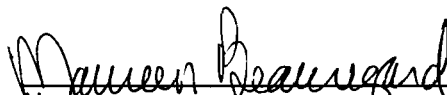
Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, 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: Families in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

Definitions

1. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
2. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
3. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
4. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
5. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
6. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
7. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
8. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
9. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
10. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
11. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
12. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
13. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
14. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
15. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
16. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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Use and Disclosure of Protected Health Information

1. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. Business Associate may use or disclose PHI:
 - 2.1. For the proper management and administration of the Business Associate;
 - 2.2. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - 2.3. For data aggregation purposes for the health care operations of Covered Entity.
3. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
4. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.
5. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

Obligations and Activities of Business Associate

1. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
2. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec. 13404.
3. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
4. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
5. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

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6. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
7. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
8. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
9. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
10. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
11. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

Obligations of Covered Entity

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

Termination for Cause

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

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Miscellaneous

1. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
2. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
3. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
4. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
5. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
6. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

Contractor Name: Families in Transition

3/12/14
Date

Maureen Beauregard
Name: Maureen Beauregard
Title: President

State Agency Name:
NH DHHS

3/18/14
Date

Mary Ann Conway
Name: Mary Ann Conway
Title: Associate Commissioner



**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.

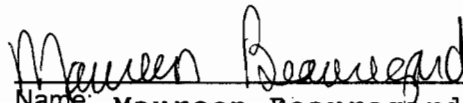
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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: Families in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



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: 825360399

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

X NO _____ YES

If the answer to #2 above is 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:

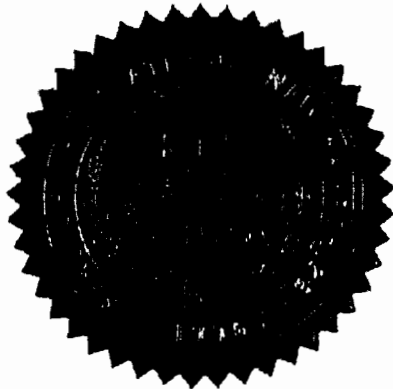
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

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

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FAMILIES IN TRANSITION is a New Hampshire nonprofit corporation formed May 13, 1994. 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 June A.D. 2013

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Karyn O'Neil, 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 in Transition.
(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 March 12, 2014
(Date)

RESOLVED: That the President
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of
the 12 day of March, 2014.
(Date Contract Signed)

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

of the Agency.

Karyn O'Neil
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 12 day of March, 2014.

By Karyn O'Neil
(Name of Elected Officer of the Agency)

Ruth Syrek
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: _____
RUTH A. SYREK, Notary Public
My Commission Expires October 16, 2018

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

MANCHESTER, NEW HAMPSHIRE

**CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2012

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

MANCHESTER, NEW HAMPSHIRE

**CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Families in Transition, Inc. and Subsidiaries
Manchester, New Hampshire

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Families in Transition, Inc. and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2012 and the related consolidated 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 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 these consolidated financial statements based on our audit. We did not audit the financial statements of the individual subsidiaries (Millyard Families II Limited Partnership, Bicentennial Families Concord Limited Partnership, Family Bridge Limited Partnership, Family Willows Limited Partnership, Belmont Street Family Housing, School/Third Street, and Lowell Street) which statements reflect total assets constituting 81.7 percent of consolidated total assets at December 31, 2012, and total revenues constituting 42.2 percent of consolidated total revenues for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these subsidiaries, is based solely on the reports of the other auditors. 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no

such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

We were not engaged to audit the financial statements of Family OutFITters, LLC, a subsidiary of Families in Transition, Inc. Management has decided to omit the financial position of Family OutFITters, LLC as of December 31, 2012 and its statements of activities, functional expenses, and cash flows for the year then ended. Total assets, liabilities, revenues and expenses of this subsidiary as of December 31, 2012 and for the year then ended are \$195,799, \$124,659, \$665,829 and \$722,119, respectively. In our opinion, the inclusion of this subsidiary in the consolidated financial statements is required by accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Families in Transition, Inc. and its subsidiaries as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating financial statements and the financial statements of Families in Transition, Inc. (not including subsidiaries) are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Summarized Comparative Information

The summarized financial information for 2011 has been derived from the Families in Transition, Inc.'s 2011 financial statements, which were audited by a predecessor auditor. An unqualified audit opinion was issued on those financial statements dated March 20, 2012. As part of our audit of the 2012 financial statements, we also audited the adjustments described in Note S that were applied to restate the 2011 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2011 financial statements

of the Entity other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2011 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 April 5, 2013, on our consideration of Families in Transition, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. 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 Families in Transition, Inc.'s internal control over financial reporting and compliance.

Wachon Clukay & Company PC

Manchester, New Hampshire
April 5, 2013

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2012 AND 2011

ASSETS

	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	\$ 620,278	\$ 1,228,115
Accounts receivable	43,692	205,427
Grants receivable	108,980	124,213
Prepaid expenses	65,586	56,455
Reserve cash designated for properties	940,581	966,212
Other assets	44,277	22,493
TOTAL CURRENT ASSETS	1,823,394	2,602,915
NON CURRENT ASSETS		
Investments	29,707	28,629
Land, buildings and equipment - net	24,756,211	24,509,767
Other assets - financing fees	172,393	186,159
TOTAL NON CURRENT ASSETS	24,958,311	24,724,555
TOTAL ASSETS	\$ 26,781,705	\$ 27,327,470

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current portion of long-term debt	\$ 121,296	\$ 100,872
Accounts payable	92,898	144,385
Accrued expenses	84,815	160,909
Funds held as fiscal agent	66,506	74,626
Deferred revenue	3,668	5,876
Due to related entity	1,976	3,246
Security deposits	28,252	26,344
TOTAL CURRENT LIABILITIES	399,411	516,258
NONCURRENT LIABILITIES		
Minority Interest	6,652,776	7,311,817
Long-term debt, less current portion	10,067,905	9,899,481
TOTAL LIABILITIES	17,120,092	17,727,556
NET ASSETS		
Unrestricted	9,443,806	9,072,326
Temporarily restricted	217,807	527,588
TOTAL NET ASSETS	9,661,613	9,599,914
TOTAL LIABILITIES AND NET ASSETS	\$ 26,781,705	\$ 27,327,470

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

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2012 TOTAL</u>	<u>2011 TOTAL</u>
REVENUE AND SUPPORT				
Federal, state and other grant support	\$ 1,683,498	\$ 280,318	\$ 1,963,816	\$ 3,601,616
Rental income	1,590,097		1,590,097	1,634,635
Public support	114,182		114,182	157,774
Tax credit contributions	33,600		33,600	188,100
Special events	158,436		158,436	119,821
Property management fees	-		-	424,756
Developer fees	-		-	443,700
VISTA program revenue	94,931		94,931	70,503
Unrealized (loss) gain on investments	1,078		1,078	(342)
Realized (loss) on disposal of assets	(5,998)		(5,998)	(2,912)
Interest income	29,946		29,946	1,993
In kind donations	25,585		25,585	29,693
Other income	342,318		342,318	104,756
Net assets released from restrictions	590,099	(590,099)		
TOTAL REVENUE AND SUPPORT	<u>4,657,772</u>	<u>(309,781)</u>	<u>4,347,991</u>	<u>6,774,093</u>
EXPENSES				
Program expenses	4,221,855		4,221,855	4,118,752
Fund-raising	426,802		426,802	272,390
Management and General	296,676		296,676	669,442
TOTAL EXPENSES	<u>4,945,333</u>		<u>4,945,333</u>	<u>5,060,584</u>
INCREASE (DECREASE) IN NET ASSETS				
BEFORE MINORITY INTERESTS	(287,561)	(309,781)	(597,342)	1,713,509
Add back losses attributed to				
Minority Interests	659,041		659,041	343,550
INCREASE (DECREASE) IN NET ASSETS	<u>371,480</u>	<u>(309,781)</u>	<u>61,699</u>	<u>2,057,059</u>
NET ASSETS - BEGINNING OF YEAR, as restated	<u>9,072,326</u>	<u>527,588</u>	<u>9,599,914</u>	<u>7,542,855</u>
NET ASSETS - END OF YEAR	<u>\$ 9,443,806</u>	<u>\$ 217,807</u>	<u>\$ 9,661,613</u>	<u>\$ 9,599,914</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	<u>PROGRAM ACTIVITIES</u>	<u>FUND- RAISING</u>	<u>MANAGEMENT AND GENERAL</u>	<u>2012 TOTAL</u>	<u>2011 TOTAL</u>
EMPLOYEE COMPENSATION					
Wages	\$ 1,266,830	\$ 256,790	\$ 188,313	\$ 1,711,933	\$ 1,689,901
Temporary labor	-	-	-	-	-
Employee benefits	138,760	28,127	20,626	187,513	189,278
Payroll taxes	107,470	21,785	15,975	145,230	140,681
TOTAL WAGES AND RELATED	1,513,060	306,702	224,914	2,044,676	2,019,860
EXPENSES					
Administrative housing expenses	45,485	-	-	45,485	201,589
Advertising	3,451	486	357	4,294	5,761
Amortization	13,766	-	-	13,766	-
Bank charges	-	-	3,072	3,072	2,929
Consultants	8,877	1,799	1,320	11,996	101,940
Daycare and rental subsidies	142,643	-	-	142,643	183,958
Depreciation	768,728	21,986	16,123	806,837	714,521
Development expenses	-	-	-	-	8,846
Events	-	26,431	-	26,431	32,085
General housing expenses	166,343	-	-	166,343	221,445
General insurance	62,759	6,733	4,937	74,429	44,344
Interest expense	102,197	-	-	102,197	46,633
Interest-Mortgage	105,738	-	-	105,738	101,012
Management fees	35,049	-	-	35,049	119,119
Meals and entertainment	5,187	1,052	771	7,010	5,228
Membership dues and subscriptions	5,908	1,198	878	7,984	6,469
Office supplies	40,786	8,268	6,063	55,117	54,349
Participant clothing and expenses	56,337	-	-	56,337	49,076
Postage	4,762	965	708	6,435	4,136
Printing	13,728	2,783	2,041	18,552	4,606
Professional fees	53,833	5,460	4,004	63,297	41,786
Repairs and maintenance	300,020	12,906	9,464	322,390	405,894
Staff development and supervision	12,837	2,602	1,908	17,347	44,046
Subrecipient grants	648	-	-	648	23,274
Taxes - property and BET	119,967	-	-	119,967	31,943
Technology support	45,170	9,156	6,714	61,040	72,031
Telephone	37,185	7,184	5,268	49,637	48,198
Travel	24,644	4,995	3,663	33,302	36,652
Utilities	338,350	-	-	338,350	327,769
VISTA program	164,322	-	-	164,322	70,848
Workers' compensation insurance	30,075	6,096	4,471	40,642	27,979
In kind expense - services	-	-	-	-	2,258
TOTAL EXPENSES 2012	\$ 4,221,855	\$ 426,802	\$ 296,676	\$ 4,945,333	
TOTAL EXPENSES 2011	\$ 4,118,752	\$ 272,390	\$ 669,442		\$ 5,060,584

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

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

CASH FLOWS FROM OPERATING ACTIVITIES	2012	2011
Change in net assets	\$ (597,342)	\$ 1,713,509
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	806,837	714,521
Amortization	13,766	
Forgiveness of debt	(131,267)	(65,634)
Unrealized loss (gain) on investments	(1,078)	342
Loss on asset disposal	5,998	2,912
(Increase) decrease in accounts receivable	161,735	(175,210)
Decrease in grants receivable	15,233	15,334
(Increase) in prepaid expenses	(9,131)	(4,831)
(Increase) decrease in other assets	(21,784)	3,460
Neighborhood Stabilization Grant-Belmont		(1,408,320)
Increase (decrease) in accounts payable	(51,487)	48,751
Increase (decrease) in accrued expenses	(76,094)	53,866
(Decrease) in funds held as fiscal agent	(8,120)	
Increase (decrease) in deferred revenue	(2,208)	298
(Decrease) in due to related party	(1,270)	
Increase in security deposits	1,908	6,692
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	105,696	905,690
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash purchases of property and equipment	(1,059,279)	(2,718,201)
NET CASH (USED) BY INVESTING ACTIVITIES	(1,059,279)	(2,718,201)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowing	490,223	2,685,049
Payments on debt	(170,108)	(379,134)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	320,115	2,305,915
INCREASE (DECREASE) IN CASH	(633,468)	493,404
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,194,327	1,700,923
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,560,859	\$ 2,194,327
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	\$ 207,935	\$ 130,441

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

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

NOTE A - ORGANIZATION

Families in Transition, Inc. (the Entity) was incorporated as a non-stock, non-profit corporation under New Hampshire law on May 13, 1994. The Entity, which began independent operations effective January 1, 1995, provides housing and comprehensive social services to individuals and families who are homeless or at risk of becoming homeless in the Concord and Manchester, New Hampshire area. The Entity receives funding from federal, state and private grants as well as cash and non-cash contributions from the public and from private operations.

The Entity operates housing programs in facilities located on Spruce and Amherst Streets in Manchester, New Hampshire. These programs were formerly run by the New Hampshire Community Loan Fund (NHCLF). Effective January 1, 1995, all leases and contracts related to the programs were assigned to the Entity. Additional housing facilities were opened at 106 and 122 Market Street, Manchester as well as in Bicentennial Square in Concord in 2004, on Second Street in Manchester in 2005, on Douglas Street in 2007 and on South Beech Street in 2008.

In 2008, Families in Transition created a Community Development Housing Organization (CHDO), Housing Benefits, Inc. Housing Benefits, Inc. identifies and develops new housing units and refurbishes existing units to meet the persistent need of combating homelessness. The Entity owns six properties. Two of the buildings, located at School and Third Streets, were acquired in 2009. Two of the locations became operational in 2011 and are located at Lowell Street and Belmont Street. In 2012, the CHDO purchased two additional properties - one at 106 Market St, Manchester, NH, which was already operational and one at 576 Central Ave. in Dover, NH which will become operational in 2013.

In 2012, Families in Transition acquired Manchester Emergency Housing, Inc., a Manchester, NH-based entity that provides emergency shelter for families. The Entity also acquired the New Hampshire Coalition to End Homelessness, a statewide entity, whose mission is to "eliminate the causes of homelessness through research, education and advocacy." As both entities are separate 501(c)3's with fiscal year-ends of June 30, the entities financials are summarized in Note R of the Notes section of the audit.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Families in Transition, Inc. are prepared using the accrual basis of accounting.

Basis of Presentation

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

Temporarily restricted net assets - Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Entity and/or the passage of time. When a restriction expires, net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets are released.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation (continued)

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained in perpetuity and only the income from the funds may be expended. As of December 31, 2012, the Entity had no permanently restricted net assets.

Use of Estimates

The financial statements include estimates and assumptions made by management that affect the carrying amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results may differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Entity considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Contributions

The Entity reports gifts of cash or other assets as restricted contributions when they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (such as when a stipulated time restriction ends), temporarily restricted net assets are released to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Net assets are released from donor restrictions when time restrictions are realized or the intended purposes of the fund are satisfied. Temporarily restricted net assets of \$217,807 at December 31, 2012, represent amounts designated for program services, not yet expended. (See also Note K.)

Donated Property, Equipment and Services

Donations of property and equipment are recorded at fair market value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted their use.

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 Entity reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Entity reclassifies restricted net assets as unrestricted net assets at that time.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Donated Property, Equipment and Services (continued)

A number of volunteers have donated their time to the Entity's program and administrative services. The value of these services is not reflected in the accompanying financial statements since the volunteers' time does not meet criteria for the recognition. An estimate of the value of this donated time is \$627,013.

Property, Plant, Equipment and Depreciation

Property, plant and equipment are recorded at cost or, in the case of donated assets, at fair market value. The Entity's capitalization policy includes recording assets greater than \$1,000. Repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the fixed assets. (See also Note D)

Functional Expenses

Functional expenses have been allocated between program services and supporting services based on estimated personnel time and space utilized for the related activity.

Income Taxes

The Entity has received a determination letter from the Internal Revenue Service stating that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code for its exempt function income. In addition, the Entity is not subject to state income taxes.

On July 13, 2006, the FASB issued an income tax pronouncement, which fundamentally changes the way that the Entity will be required to treat its uncertain tax positions for financial accounting purposes. It prescribes rules regarding how the Entity should recognize, measure and disclose in its financial statements tax positions that were taken or will be taken on the Entity's tax return that are reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in an increase in a liability for income taxes payable, or a reduction in a deferred tax asset or an increase in a deferred tax liability. On January 1, 2009, the Entity adopted this pronouncement. At the adoption date, the Entity did not have any unrecognized tax benefits and determined the impact of this interpretation was not material to the Entity's financial statements. During the year ending December 31, 2012, no new additional unrecognized tax benefits were identified. As of December 31, 2012, the tax years ending December 31, 2011, 2010, and 2009 are open for possible tax examination.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Taxes (continued)

The Entity does not expect that the amounts of unrecognized tax transactions will change significantly within the next twelve months.

Principles of Consolidation

At December 31, 2012, the Entity owned 79% of Brick Mill House Families, Inc. ("Brick Mill"), 100% of Brick Mill House Families II, Inc. ("Brick Mill II), 21% of Tricorner Corporation ("Tricorner"), 100% of Bicentennial Family Concord, 100% of Family Mill, Inc., and 100% of Big Shady Tree, Inc., all of which are New Hampshire corporations. The Entity also owns 100% of Family OutFITters, LLC, a limited liability corporation. Through complete management control, Families in Transition, Inc. also has indirect ownership in Millyard Families II Limited Partnership ("Millyard II"), Bicentennial Families Concord Limited Partnership, Family Bridge Limited (Family Mill), and Family Willows Limited Partnership, all of which are New Hampshire Limited Partnerships, whereby Brick Mill II is a sole .01% general partner, Bicentennial Family Concord is a sole .01% general partner, Family Mill is a .01% general partner and Family Willows is a .01% general partner. The financial statements include the accounts of Families in Transition, Inc. and the investments in Brick Mill and Brick Mill II, Tricorner, Bicentennial Family Concord, Family Mill, Family Willows and Family OutFITters on the cost basis of accounting.

The Partnerships are considered variable interest entities and are consolidated in the financial statements of Families in Transition, Inc. as required by (EITF) 04-5.

In October, 2002, the subsidiary entity, Family OutFITters, LLC was created with Families in Transition as its sole member. Family OutFITters, LLC operates as an independent thrift store with the sole purpose of being an alternate funding stream for Families in Transition. In 2012, Family OutFITters operated a thrift store in Manchester, NH and a boutique in Concord, NH. As the financial statements of Family OutFITters, LLC, were not audited for fiscal year ending December 31, 2012 and December 31, 2011, management has decided to omit the financial position of Family OutFITters, LLC as of December 31, 2012 and December 31, 2011 and its statements of activities, functional expenses, and cash flows from these consolidated financial statements.

In 2011, Families in Transition purchased a property at 20 South Main Street, Concord, NH. This property serves as the new location for the Family Outfitters Concord boutique and also includes tenant-leased office space and two apartments.

Housing Benefits, Inc., incorporated in 2008 as a non-stock, non-profit corporation under New Hampshire law, currently serves as the property acquisition and renovation arm of Families in Transition. The corporation identifies and develops new housing units and refurbishes existing units to meet the persistent need of combating homelessness.

The partnership of Millyard Families Limited Partnership (Millyard I LP) dissolved on August 15, 2012. For this reason, activity shown is partial year. This dissolution was granted at the request of the limited partner to exit the partnership and to dispose of the property. The newly formed entity, Millyard I, was then acquired by Housing Benefits, Inc.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012

NOTE C – INVESTMENT IN RELATED ENTITIES

Investment in related entities is comprised of the following:

Brick Mill House Families, Inc.	79%	\$ 65,275
Brick Mill House Families II, Inc.	100%	0
Tricorner	21%	1,000
Family OutFITters, LLC	100%	1,000
Bicentennial Family Concord, Inc.	100%	340,000
Second Street Family Mill, Inc.	100%	788,972
Big Shady Tree, Inc.	100%	<u>100</u>
		<u>\$ 1,196,347</u>

The Entity's 100% interest in Brick Mill House Families II, Inc. is carried at no value in the financial statements because management does not believe that future benefits will exceed future expenditures relating to the entity. (See Note B regarding principles of consolidation). Investments in related entities are eliminated in the consolidated financial statements.

NOTE D – PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION

	Useful Lives	Families	Properties	2012 Total	2011 Total
Furniture and fixtures	5 years	\$203,072	\$184,189	\$ 387,261	\$ 379,121
Equipment	5 years	277,665	131,917	409,582	363,128
Vehicles	5 years	178,444	-0-	178,444	128,559
Land			2,707,082	2,707,082	2,705,697
Buildings and improvements	30 years	<u>2,502,470</u>	<u>23,218,124</u>	<u>25,720,594</u>	<u>25,323,620</u>
Total		3,161,651	26,241,312	29,402,963	28,900,125
Less accumulated depreciation		<u>(796,933)</u>	<u>(3,849,819)</u>	<u>(4,646,752)</u>	<u>(4,390,358)</u>
Book value, net		<u>\$2,364,718</u>	<u>\$22,391,493</u>	<u>\$24,756,211</u>	<u>\$24,509,767</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE E- RELATED PARTY NOTES RECEIVABLE

Long-term receivables consist of notes due from related parties; Millyard Families I, Bicentennial Families Concord Limited Partnership, Family Bridge Limited Partnership and Family Willows Limited Partnership. These notes are eliminated in consolidation:

A mortgage receivable of \$400,000, secured by real property. The note bears simple interest at 7.03% per annum, maturing in May 2026. Interest only payments are to be paid monthly to the extent of fifty (50%) percent of net positive cash flow on Millyard I financials. Accrued interest receivable at December 31, 2012 was \$161,899.

\$ 400,000

An unsecured, promissory note of \$400,799, due from Family Bridge LP. The note bears simple interest at 5.21% per annum, maturing in August 2034. No interest was paid in 2012. Accrued interest receivable at December 31, 2012 was \$123,551.

400,799

A promissory note of \$400,000, secured by real estate, due from Family Willows Limited partnership. The note bears interest at 5.21%. Payment of principal and interest is deferred until June 29, 2036. Accrued interest at December 31, 2012, was \$139,869.

400,000

A mortgage receivable of \$275,000, secured by real property, due from Bicentennial Concord. The note bears simple interest at 4.79% per annum, maturing in May 2033. Payments are applied first to interest due and then to principal. The balance of principal due shall be paid in 2033. No interest payments were received in 2012. Accrued interest receivable at December 31, 2012, was \$110,073.

275,000

A promissory note of 250,000, secured by real estate, due from Family Willows Limited Partnership. The note bears interest at 5.15%. Payment of principal and interest is deferred until June 29, 2037. Accrued interest at December 31, 2012, was \$65,855.

250,000

Total long-term portion

\$ 1,725,799

The following is a summary of maturities due on long term receivables as of December 31, 2012:

Year Ended December 31	Amount
2013	\$ 0
2014	0
2015	0
2016	0
2017	0
Thereafter	<u>1,725,799</u>
Total	<u>\$1,725,799</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT

Long term debt consists of the following:

<p>A mortgage loan payable to New Hampshire Housing Finance Authority in monthly payments of \$680, including interest at 1% and an escrow of \$289. The note is secured by real estate located on Amherst Street, Manchester, NH. The loan is due and payable in full in January, 2033.</p>	<p>\$ 74,376</p>
<p>A note payable to New Hampshire Housing Finance Authority. The note is non-interest bearing and is secured by real estate located on Amherst St. The loan is due and payable upon sale or refinancing of the property or in June 2042.</p>	<p>123,249</p>
<p>A mortgage loan payable to St. Mary's Bank in monthly payments of \$989.50, including interest at 6.25%. The note is secured by real estate on Spruce Street, Manchester, NH and is due and payable in full in February, 2019.</p>	<p>139,741</p>
<p>3 vehicle loans payable to a dealership in monthly payments of \$206 per loan at 6.99% annual interest rate. The loans are due and payable in July, 2013.</p>	<p>4,280</p>
<p>A vehicle loan on an activity bus payable to New Hampshire Health and Education Facilities Authority in monthly payments of \$524.78 at 1% annual interest rate. The loan is due and payable in February, 2017.</p>	<p>25,689</p>
<p>A mortgage note, secured by real estate at Beech Street payable to TD Bank, N.A. in monthly payments of \$1,359, including interest at 7.1% and principal. The loan is due and payable in full in November, 2023.</p>	<p>117,608</p>
<p>A mortgage note, secured by real estate on Douglas St., payable to RBS Citizens Bank in monthly payments of \$2,126, including interest at 4.93% and principal. The loan is due and payable in full in April, 2024.</p>	<p>264,855</p>
<p>Note payable to the City of Manchester, NH, payable in annual installments of \$1,977 at 0% interest. The loan is due and payable in full in October, 2014.</p>	<p>3,955</p>
<p>A mortgage note payable from Bicentennial Families Concord Limited Partnership, to the New Hampshire Housing Finance Authority, secured by real estate and personal property. Monthly payments of \$1,095 include interest at 4.75% per annum until the principal and interest are fully paid with the final installment due and payable on May 1, 2034.</p>	<p>175,021</p>
<p>A promissory note payable from Bicentennial Families Concord Limited Partnership to the New Hampshire Housing Finance Authority. The note is non-interest bearing and is secured by real estate and various financing instruments. The loan is due and payable in May 2034.</p>	<p>102,325</p>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT (CONTINUED)

<p>A promissory note from Bicentennial Families Concord Limited Partnership to the New Hampshire Housing Finance Authority. The note is non-interest bearing and is secured by real estate and various financing instruments. The loan is due and payable in May 2033.</p>	<p>337,720</p>
<p>A promissory note payable from Bicentennial Families Concord Limited Partnership to Merrimack County. The note is non-interest bearing and is secured by real estate and various financing instruments. All unpaid amounts are due and payable in full May 27, 2033.</p>	<p>260,000</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the New Hampshire Housing Finance Authority. The note is secured by real estate and various financing instruments. The loan is due and payable upon sale or refinancing of the property or in May 2031. This loan is non-recourse.</p>	<p>462,309</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the New Hampshire Housing Finance Authority. The note is secured by real estate and personal property. Monthly payments of \$1,729 include principal and interest at 3.5% per annum. The final installment is due and payable on September 1, 2032.</p>	<p>290,630</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the City of Manchester, secured by the real estate and various financing instruments. All unpaid amounts are due and payable in full on August 1, 2031. This note is non-recourse.</p>	<p>227,521</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the New Hampshire Community Loan Fund, Inc., secured by real estate. All unpaid amounts are due and payable in full on December 31, 2031. This note is non-recourse.</p>	<p>250,000</p>
<p>A mortgage note payable from Millyard Families I to the City of Manchester Community Improvement Program. The note is non-interest bearing and is due and payable in January 2027.</p>	<p>230,000</p>
<p>A note payable from Millyard Families I to the New Hampshire Community Loan Fund secured by real estate. Monthly payments of \$1,121 include principal and interest at 2% per annum. The final installment is due and payable on June 15, 2022.</p>	<p>116,285</p>
<p>A mortgage note payable from Family Bridge Limited Partnership to New Hampshire Housing Finance Authority secured by real estate and personal property. The note bears no interest and is to be repaid from 50% of available surplus cash annually with all remaining principal due on August 30, 2034.</p>	<p>850,000</p>
<p>A promissory note from Family Bridge Limited Partnership payable to TD Bank, N.A. Monthly payments of \$3,953 include principal and interest at 7.71%. The loan is payable in full in October 27, 2023.</p>	<p>501,084</p>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT (CONTINUED)

A promissory note payable from Family Bridge Limited Partnership to the City of Manchester. The note is non-interest bearing and all outstanding principal is due by October 1, 2034. The note is secured by real estate and is non-recourse.	600,000
A mortgage note payable from Family Willows Limited Partnership to the New Hampshire Housing Finance Authority, secured by real estate and personal property. The note is to be repaid from 50% of available surplus cash annually with all remaining principal due on July 9, 2037.	598,957
A promissory note payable from Family Willows Limited Partnership to the City of Manchester. The note is non-interest bearing and has an annual payment of \$9,091 payable on October 1 each year. All outstanding principal is due by October 2029. The note is secured by real estate and is non-recourse.	154,545
A promissory note payable from Family Willows Limited Partnership to RBS Citizens Bank. Monthly payments of principal and interest (currently at 3.25%) of \$2,207 are due until October 14, 2033 when all outstanding principal and interest must be paid. The note is secured by real estate and is guaranteed by Families in Transition.	336,191
A mortgage note payable from School/Third Street to the New Hampshire Housing Finance Authority, secured by real estate and personal property. Monthly payments of \$2,774, include principal and interest at 8% per annum. The note is due April 1, 2021.	200,540
A mortgage note payable from School/Third Street to New Hampshire Community Loan Fund. The note is non-interest bearing. Monthly payments of \$2,774 will commence in April 2021 and continue until maturity in September, 2039.	617,613
A non-interest bearing mortgage note payable from Belmont Street Family Housing to the New Hampshire Housing Finance Authority, secured by real estate and personal property. The note will be paid annually in amounts equal to 50% of surplus cash and must be paid in full by December, 2040.	433,000
A privately-financed mortgage note secured by property located at South Main Street in Concord, NH. Monthly payments of \$3,158 include principal and interest at 6.25% per annum. The note will be paid in full in September 2031.	417,878
A non-interest bearing mortgage note payable from Lowell Street to the New Hampshire Housing Finance Authority, secured by real estate and personal property. The note will be paid annually in amounts equal to 50% of surplus cash. The loan is due and payable in August, 2040.	78,681
A non-interest bearing mortgage note payable from Lowell Street to the City of Manchester. Annual payments equal to the greater of 25% of new cash flow or \$4,000 commenced in October 2012 and will continue until the maturity date in June 2041.	198,049

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT (CONTINUED)

A non-interest promissory note payable from Lowell Street to the New Hampshire Housing Finance Authority secured by a mortgage and security agreement. The note will be forgiven 1/15th per year over the LIHTC compliance period. A total of \$131,267 in income was recognized during 2012. The loan is due and payable in August, 2040.

1,772,099

A promissory note payable from Dover Housing Project to New Hampshire Housing Finance Authority. The note bears no interest and is secured by a mortgage and security agreement. The note will be paid annually from surplus cash and must be paid in full by June 2028.

225,000

Total long-term debt

\$10,189,201

Less current maturities

121,296

Total long-term debt per Consolidated Statement of Financial Statements

\$10,067,905

Total long-term debt

\$10,189,201

Total related party long-term debt (see Note E)

\$ 1,725,799

Total interorganization long-term debt

\$11,915,000

The aggregate maturities of long term debt are a follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2013	\$ 121,296
2014	122,678
2015	126,734
2016	131,988
2017	134,169
Thereafter	<u>9,552,336</u>
Total	<u>\$10,189,201</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE G – OPERATING LEASES

The Entity rents corporate office space located at 106 Market and 122 Market Streets in Manchester, New Hampshire under tenant-at-will arrangements. The rent payments to Millyard I for 106 Market Street were \$300 per month. The rent payments to Millyard II for 122 Market Street were \$500 per month. Office space is also maintained at the Concord Bicentennial location at a rate of \$527.50 per month. The Entity incurred a total of \$15,930 in rent expense of its office space in 2012.

NOTE H – CONTINGENCIES

The Entity participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amounts, if any, of additional expenses which may be disallowed by the granting agency cannot be determined at this time, although the Entity expects such amounts, if any, to be immaterial.

NOTE I – GRANT REVENUE

The Entity's primary sources of support are fees and grants received from the federal government, the State of New Hampshire, and local foundations. The recognized revenue from grants for the year ended December 31, 2012 was \$1,963,816 (or 45.5% of total revenue). The various grant agreements are awarded on an annual basis or bi-annual basis. Revenue is recognized as earned under the terms of the contract and is received on a cost reimbursement basis. Other support originates as rental income, property management fees, public support and miscellaneous sources.

NOTE J – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Entity's financial instruments, none of which are held for trading purposes, include cash, investments, accounts payable, accounts receivable and notes receivable. The Entity estimates that the fair value of all financial instruments at December 31, 2012, does not materially differ from the aggregated carrying values of its financial instruments recorded in the accompanying statements of financial position.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE K – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following specific services:

The Family Place	\$ 5,018
Research and training	40,000
Lowell Street	12,932
Manchester Emergency Housing	13,700
Scholarships and tutoring	12,595
VISTA program	71,992
Dover Housing Program	20,000
Direct care for clients	16,570
Grant receivable-time restricted	25,000
	<hr/>
	\$ 217,807

NOTE L – RETIREMENT PLAN

The Entity has a tax deferred retirement plan which is available to all full-time employees. All employees are eligible to participate and are fully vested with the first contribution. The Entity matches contributions at 100% up to 3% of compensation. In calendar year 2012 the Entity contributed \$33,257 as its employer match expenses. At December 31, 2012, twenty-eight employees were participating in the plan.

NOTE M – HOUSING ACTION NEW HAMPSHIRE

In 2011, Families in Transition entered into a Fiscal Sponsorship Agreement with Housing Action New Hampshire (HANH), an unincorporated association. Authority to manage the programmatic activities of HANH is vested solely in HANH. Families in Transition maintains the books and financial records for HANH in accordance with generally accepted accounting principles. HANH is presented in the Families in Transition financial statements as a "funds held as fiscal agent" liability with the corresponding cash balance.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE N – MINORITY INTEREST

Minority interest, as shown on the Statement of Financial Position, represents investments by Limited Partners in the properties according to the following schedule:

<u>Limited Partner</u>	<u>Property</u>	<u>Minority Interest</u>
Community Capital 2000	Millyard Families II	\$ 1,159,663
NH Housing Equity Fund	Bicentennial Families	440,412
JP Morgan Chase	Bicentennial Families	440,498
BCCC, Inc.	Family Bridge	10
Boston Capital Corporate	Family Bridge	2,056,161
BCCC, Inc	Family Willows	10
Boston Capital Midway	Family Willows	2,556,022
		<u>\$ 6,652,776</u>

NOTE O – Line of Credit

In 2005, the Entity obtained a line of credit of \$100,000 with a financial institution. This line of credit matured on May 31, 2006 has been renewed annually each year since. During the term of agreement, the interest rate on any outstanding principal balance shall be equal to the Base Rate, as defined by the financial institution, with a floor of 4.00%.

As of December 31, 2012, the outstanding balance of the line of credit was \$-0- and the interest rate was 4.00%.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE P – Significant Concentrations of Credit Risk

The Entity maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to a combined total of \$250,000 per financial institution as of December 31, 2012. The bank balances may, at times, materially exceed federally insured limits. The Entity has not experienced any losses on such accounts. The Entity's uninsured cash balance was \$149,351 as of December 31, 2012.

NOTE Q – RELATED ENTITIES DISCLOSURE

Manchester Emergency Housing, Inc., a FIT-owned 501(c)3, presented the following financials at fiscal year-end, 6/30/12:

ASSETS:

Cash, savings and investments	\$ 6,969
Land and Buildings	<u>\$ 56,836</u>
Total Assets:	<u>\$ 63,805</u>

LIABILITIES:

Current Liabilities	\$ 6,488
Total Equity	<u>\$ 57,317</u>
Total Liabilities & Equity	<u>\$ 63,805</u>

Total Revenues: \$175,342

Total Expenses: \$186,486

Net Loss at 6/30/12: (\$11,144)

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE R – RELATED ENTITIES DISCLOSURE (continued)

The New Hampshire Coalition to End Homelessness a FIT-owned 501(c)3, presented the following financials at fiscal year-end, 6/30/12:

ASSETS:

Cash, savings and investments	\$ 10,774
Other Assets	\$ 2,143
Total Assets:	<u>\$ 12,917</u>

LIABILITIES:

Current Liabilities	\$ 4,726
Total Equity	\$ 8,191
Total Liabilities & Equity	<u>\$ 6,894</u>

Total Revenues: \$ 6,323

Total Expenses: \$ 864

Net Income at 6/30/12: \$ 7,187

NOTE S -- RESTATEMENT OF NET ASSETS

Family OutFITters, LLC is a wholly owned subsidiary of Families in Transition, Inc. During the year ended December 31, 2012, management has decided to omit the unaudited financial information of Family OutFITters, LLC from these consolidated financial statements. As condensed comparative information is included in these consolidated financial statements, net assets have been restated as of January 1, 2011 and 2012 as follows:

	2012	2011
Net assets - January 1 (as previously reported)	\$ 9,727,344	\$ 7,652,722
Amount of restatement due to removal of subsidiary from the consolidated financial statements	(127,430)	(109,867)
Net assets - January 1 as restated	\$ 9,599,914	\$ 7,542,855

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE T – SUBSEQUENT EVENTS

Management has evaluated subsequent events to April 5, 2013 the date that the financial statements are available to be issued and has determined that there are no transactions requiring disclosure.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012

	ASSETS								
	Families In Transition Unrestricted	Millyard Families II	Bicentennial Families Concord	Family Bridge	Family Willows	Housing Benefits	Temporarily Restricted	Eliminations	TOTAL
CURRENT ASSETS									
Cash and cash equivalents	\$ 314,991	\$ 16,737	\$ 4,204	\$ 2,592	\$ 5,162	\$ 58,785	\$ 217,807	\$ (76,844)	\$ 620,278
Accounts receivable	110,349	2,957	124	2,977	1,714	2,415			43,692
Grants receivable	108,980								108,980
Prepaid expenses	16,409	6,458	10,613	10,874	1,095	20,137			65,586
Accrued interest receivable on related party note	601,247							(601,247)	-
Reserve cash designated for properties	34,407	164,310	93,806	235,899	124,378	287,781		(181,370)	940,581
Due from related party	162,149	558	3,111	6,152	2,036	19,221			44,277
Other assets	-	-	-	-	-	32,320		(859,461)	-
TOTAL CURRENT ASSETS	1,348,532	191,120	111,858	258,494	134,385	420,659	217,807	(859,461)	1,823,394
NON CURRENT ASSETS									
Related party notes receivable	1,725,799							(1,725,799)	-
Investments	4,656					25,051			29,707
Investment in related entities	1,196,347							(1,196,347)	-
Land, buildings and equipment - net	2,364,718	2,844,909	2,369,291	5,153,746	4,329,820	7,593,727			24,756,211
Other assets - financing fees - net	15,490	8,457	23,973	36,414	88,059	-			172,393
Other assets	6,291,520	2,960,399	2,377,748	6,177,719	4,366,234	7,706,837		(2,922,146)	24,958,311
TOTAL NON CURRENT ASSETS	6,291,520	2,960,399	2,377,748	6,177,719	4,366,234	7,706,837	-	(2,922,146)	24,958,311
TOTAL ASSETS	\$ 6,640,052	\$ 3,151,519	\$ 2,489,606	\$ 5,436,213	\$ 4,500,619	\$ 8,127,496	\$ 217,807	\$ (3,781,607)	\$ 26,781,705
CURRENT LIABILITIES									
Current portion of long-term debt	\$ 46,453	\$ 10,745	\$ 4,939	\$ 9,124	\$ 20,921	\$ 29,114	\$ -	\$ (37,516)	\$ 121,296
Accounts payable	51,433	6,297	4,846	15,014	10,373	42,451			92,898
Accrued expenses	83,937	878							84,815
Funds held as fiscal agent	66,506								66,506
Due to related entity	61,209	61,105	110,073	221,210	205,724	164,600		(821,945)	1,976
Deferred revenue	293	194	684	892	747	858			3,668
Security deposits	8,924	658	3,111	6,153	2,014	7,392			28,252
Other assets	318,755	79,877	123,653	252,393	239,779	244,415		(859,461)	399,411
TOTAL CURRENT LIABILITIES	1,125,178	1,219,715	1,145,127	2,342,759	1,718,772	4,242,153	-	(1,725,799)	10,067,905
NONCURRENT LIABILITIES									
Minority interest	1,443,933	2,459,255	2,149,690	4,651,323	4,514,583	4,486,568		(2,585,250)	17,120,092
Long-term debt, less current portion	5,196,119	682,264	339,916	784,890	(13,964)	3,640,928	217,807	(1,196,347)	9,443,806
Temporarily restricted	-	-	-	-	-	-	217,807	-	217,807
TOTAL NET ASSETS	5,196,119	682,264	339,916	784,890	(13,964)	3,640,928	217,807	(1,196,347)	9,651,613
TOTAL LIABILITIES AND NET ASSETS	\$ 6,640,052	\$ 3,151,519	\$ 2,489,606	\$ 5,436,213	\$ 4,500,619	\$ 8,127,496	\$ 217,807	\$ (3,781,607)	\$ 26,781,705

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	Families In Transition Operating	Milkyard Families	Milkyard Families II	Bicentennial Families	Family Bridge	Family Willows	Housing Benefits	Eliminations	Unrestricted Total	Temporarily Restricted	2012 Total	2011 Total
REVENUE AND SUPPORT												
Federal, state and other grant support	\$ 1,435,820	\$ 234,178	\$ 168,475	\$ 142,322	\$ 335,553	\$ 279,250	\$ 117,417	\$ (103,917)	\$ 1,683,498	\$ 280,318	\$ 1,963,816	\$ 3,601,616
Rental income	247,651	92,819					343,557	(19,530)	1,590,097		1,590,097	1,634,635
Thrift store sales												
Public support	114,182								114,182		114,182	157,774
Tax credit revenue	33,600								33,600		33,600	188,101
Special events	158,436								158,436		158,436	119,821
Property management fees	508,296							(508,296)				424,756
Developer fees												443,700
VISTA program revenue	94,931								94,931		94,931	70,503
Unrealized (loss) on investments	1,078								1,078		1,078	(342)
Realized loss on assets		(1,088)		(421)	(2,570)	(1,695)			(5,998)		(5,998)	(2,912)
Interest income	97,133	3			507	70	3	(67,770)	29,946		29,946	1,993
In kind donations	25,585								25,585		25,585	29,693
Other income	206,922	800	3,801	22,157	14,160	11,033	143,621	(60,176)	342,318		342,318	104,756
Contribution from Milkyard 1 LP							445,108	(445,108)				
Net assets released from restrictions	590,099								590,099	(590,099)		
TOTAL REVENUE AND SUPPORT	3,513,733	326,712	172,062	184,058	347,650	288,658	1,049,706	(1,204,787)	4,657,772	(309,781)	4,347,991	6,774,093
EXPENSES												
Program expenses	2,766,455	107,417	315,114	249,734	504,594	428,599	609,631	(759,689)	4,221,855		4,221,855	4,118,752
Distribution to Milkyard 1 LP		445,108						(445,108)				
Fund-raising	426,802								426,802		426,802	272,390
Management and General	296,676								296,676		296,676	669,442
TOTAL EXPENSES	3,489,933	552,525	315,114	249,734	504,594	428,599	609,631	(1,204,787)	4,945,333		4,945,333	5,060,584
CHANGE IN NET ASSETS												
BEFORE MINORITY INTEREST	23,800	(225,813)	(143,062)	(85,676)	(156,944)	(139,941)	440,075		(287,561)	(309,781)	(597,342)	1,713,509
Minority interest		(147,479)	(143,048)	(85,667)	(156,928)	(125,919)	440,075		(659,041)		(659,041)	(343,550)
CHANGE IN NET ASSETS	23,800	(78,334)	(14)	(9)	(16)	(14,022)	440,075		371,480	(309,781)	61,699	2,057,059

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	Families In Transition Operating	Millyard Families	Millyard Families II	Bicentennial Families	Family Bridge	Family Widows	Housing Benefits	Eliminations	Program Total	Fund-Raising	Management and General	2012 Total	2011 Total
EMPLOYEE COMPENSATION													
Wages	\$ 1,266,830								\$ 1,266,830	\$ 256,790	\$ 188,313	\$ 1,711,933	\$ 1,689,901
Temporary labor													
Employee benefits	138,760	6,173	23,785	10,038	52,921		1,053		3,451	486	357	4,294	5,761
Payroll taxes	107,470		1,304	780	1,961	3,197	60,775	(108,207)	45,485			45,485	201,589
TOTAL WAGES AND RELATED EXPENSES	1,513,060						6,524		13,766			13,766	
Advertising	2,398												
Administrative													
Amortization													
Bank charges													
Clothing and participant expenses	56,337								56,337	3,072		3,072	2,929
Consultants	6,877												49,076
Daycare and rental subsidies	142,643								8,877	1,320		11,996	101,940
Depreciation	108,467	26,958	94,859	81,368	172,482	119,877	164,717		142,643			142,643	183,958
Development expenses									768,728	21,986	16,123	806,837	714,521
Events													8,846
General										26,431		26,431	32,085
General insurance	33,215	2,844	31,308	38,923	52,615	40,861	2,636		166,343			166,343	221,445
Interest expense	65,299		26,552	13,173	20,882	34,688	26,700		82,759	6,733	4,937	74,429	44,344
Interest mortgage	19,406		10,370	8,438	39,621	10,348	9,372	(87,770)	102,197			102,197	46,633
Management fees	100,320	20,184		17,016		70,533	36,648	(209,852)	105,738			105,738	101,012
Meals and entertainment	5,187								35,049			35,049	119,119
Membership dues and subscriptions	5,908								5,187	771		7,010	5,228
Office supplies and expense	40,786								5,908	878		7,984	6,469
Postage	4,762								40,786	6,063		55,117	54,349
Printing	13,728								4,762	708		6,435	4,136
Professional fees	26,938	486				7,634	18,765		13,728	2,783	2,041	18,552	4,606
Related entity expenditures	171,710							(171,710)	63,833	5,460	4,004	63,297	41,786
Rent	15,930												
Repairs and maintenance	63,670	7,842	79,595	44,472	87,468	89,795	113,498	(19,930)	300,020	12,906	9,464	322,390	405,884
Staff development and supervision	12,837							(188,420)	12,837	2,602	1,908	17,347	44,046
Subrecipient grants	648								648			648	23,274
Taxes	31,667	8,302					79,998		119,967			119,967	31,943
Technology support	45,170								45,170	9,156	6,714	61,040	72,031
Telephone	35,440	225					1,520		37,185	7,184	5,268	49,637	48,198
Travel and vehicle	24,644								24,644	4,995	3,663	33,302	36,652
Utilities	42,417	14,987	47,341	36,528	76,644	61,668	69,765		338,350			338,350	327,769
VISTA program	164,322								164,322			164,322	70,848
Workers' compensation	30,075								30,075	6,098	4,471	40,642	27,979
In Kind													2,258
TOTAL EXPENSES	\$ 2,766,455	\$ 107,417	\$ 315,114	\$ 249,734	\$ 604,594	\$ 428,599	\$ 609,631	\$ (759,689)	\$ 4,221,855	\$ 426,802	\$ 296,676	\$ 4,945,333	\$ 5,060,584

FAMILIES IN TRANSITION, INC.

STATEMENT OF FINANCIAL POSITION
(Not including subsidiaries)

DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	<u>ASSETS</u>			
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2012 TOTAL</u>	<u>TOTAL</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 314,991	\$ 217,807	\$ 532,798	\$ 1,026,481
Accounts receivable	110,349		110,349	308,404
Grants receivable	108,980		108,980	124,213
Prepaid expenses	16,409		16,409	15,155
Accrued interest receivable on related party note	601,247		601,247	505,357
Reserve cash designated for properties	34,407		34,407	65,219
Due from related party	162,149		162,149	75,206
Other assets			-	1,000
TOTAL CURRENT ASSETS	<u>1,348,532</u>	<u>217,807</u>	<u>1,566,339</u>	<u>2,121,035</u>
NON CURRENT ASSETS				
Related party notes receivable	1,725,799		1,725,799	1,725,799
Investments	4,656		4,656	3,578
Investment in related entities	1,196,347		1,196,347	1,196,347
Land, buildings and equipment - net	2,364,718		2,364,718	2,101,755
TOTAL NON CURRENT ASSETS	<u>5,291,520</u>		<u>5,291,520</u>	<u>5,027,479</u>
TOTAL ASSETS	<u>\$ 6,640,052</u>	<u>\$ 217,807</u>	<u>\$ 6,857,859</u>	<u>\$ 7,148,514</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES				
Current portion of long-term debt	\$ 46,453	\$	\$ 46,453	\$ 40,240
Accounts payable	51,433		51,433	78,173
Accrued expenses	83,937		83,937	149,313
Funds held as fiscal agent	66,506		66,506	74,626
Due to related party	61,209		61,209	78,840
Deferred revenue	293		293	719
Security deposits	8,924		8,924	4,281
TOTAL CURRENT LIABILITIES	<u>318,755</u>		<u>318,755</u>	<u>426,192</u>
NONCURRENT LIABILITIES				
Long-term debt, less current portion	1,125,178		1,125,178	1,022,415
TOTAL LIABILITIES	<u>1,443,933</u>		<u>1,443,933</u>	<u>1,448,607</u>
NET ASSETS				
Unrestricted	5,196,119		5,196,119	5,172,319
Temporarily restricted		217,807	217,807	527,588
TOTAL NET ASSETS	<u>5,196,119</u>	<u>217,807</u>	<u>5,413,926</u>	<u>5,699,907</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,640,052</u>	<u>\$ 217,807</u>	<u>\$ 6,857,859</u>	<u>\$ 7,148,514</u>

FAMILIES IN TRANSITION, INC.

STATEMENT OF ACTIVITIES
(Not including subsidiaries)

For The Year Ended December 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2012 TOTAL</u>	<u>2011 TOTAL</u>
REVENUE AND SUPPORT				
Federal, state and other grant support	\$ 1,435,820	\$ 280,318	\$ 1,716,138	\$ 2,039,900
Rental income	247,651		247,651	249,857
Public support	114,182		114,182	157,774
Tax credit revenue	33,600		33,600	188,100
Special events	158,436		158,436	119,821
Property management fees	508,296		508,296	463,528
Developer fees	-		-	443,700
Program service revenue	94,931		94,931	70,503
Unrealized (loss) gain on investments	1,078		1,078	(342)
(Loss) on asset disposal	-		-	(2,912)
Interest income	97,133		97,133	97,549
In kind donations	25,585		25,585	29,693
Other income	206,922		206,922	126,752
Net assets released from restriction	590,099	(590,099)		
	<u>3,513,733</u>	<u>(309,781)</u>	<u>3,203,952</u>	<u>3,983,923</u>
EXPENSES				
Program expenses	2,766,455		2,766,455	2,452,764
Fund-raising	426,802		426,802	272,390
Management and General	296,676		296,676	669,442
TOTAL EXPENSES	<u>3,489,933</u>		<u>3,489,933</u>	<u>3,394,596</u>
INCREASE (DECREASE) IN NET ASSETS	23,800	(309,781)	(285,981)	589,327
NET ASSETS - BEGINNING OF YEAR	<u>5,172,319</u>	<u>527,588</u>	<u>5,699,907</u>	<u>5,110,580</u>
NET ASSETS - END OF YEAR	<u>\$ 5,196,119</u>	<u>\$ 217,807</u>	<u>\$ 5,413,926</u>	<u>\$ 5,699,907</u>

Families in Transition

122 Market Street

Manchester, NH 03101

Tel. 603-641-9441

Fax. 603-641-1244



**Families
in Transition**

Providing a Home Building Hope

Mission

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



Board of Directors

Karyn O'Neil, Chair

[REDACTED]

Board member since 2003

Susan Grodman, Vice Chair

[REDACTED]

Board member since 2007

Deborah J. Brann, Treasurer

[REDACTED]

Board member since 2011

Trevor Arp, Secretary

[REDACTED]

Board member since 2008

Sedra Michaelson,

[REDACTED]

Board member since 2003

Joan Reische

[REDACTED]

Board member since 1998

Dick Anagnost

[REDACTED]

Board member since 2007

Judy Bergeron

[REDACTED]

Board member since 2005

Rev. Gayle Murphy

[REDACTED]

Board member since 2008

Theresa Dolloff

[REDACTED]

Board member since 2007

Graham Chynoweth

[REDACTED]

Board member since 2009

David Donohue

[REDACTED]

Eric Demaree

[REDACTED]

Board member since 2012

Stephanie Sledjeski

[REDACTED]

Board member since 2010

Charla Stevens

[REDACTED]

Board member since 2013

Margaret "Missy" Fulton

[REDACTED]

Board member since 2012

As of May 2013

Maureen Ann Beauregard

Professional Experience

November 1991 to Present: Families in Transition, 122 Market Street, Manchester, NH 03101.

1995-Present. President, Families in Transition. Developed a Board of Directors and established Families in Transition as a private nonprofit agency in 1995. Responsible for grant writing, fundraising, facility development, oversight of agency personnel, program development, day to day operations, reporting to state and federal agencies and public relations.

- 2003 to Present: Development and Implementation of 33 units permanent affordable housing in Manchester.
- 2001-2003: Development of Families in Transition – Concord, 16 units of affordable housing with 6 designated for homeless women with a disability and 10 designated for transitional housing for homeless women and their children.
- 2001 to Present: Development of Families in Transition's social entrepreneurship, Family OutFITters thrift store and Employment Training Program.
- 1998 – 2001: Development of Millyard II Transitional Housing Program with 19 apartments and 1 interim unit for 3 families.
- 1995 – 1997: Development of Millyard I Transitional Housing Program with 12 apartments for homeless women with children.
- 1994 – 1995: Development of steering committee to form the Board of Directors for Families in Transition and Families in Transition becomes and independent 501 © (3)

1991- 1994 New Hampshire Community Loan Fund. Program Director. Designed and implemented transitional housing programs for the homeless women with and without children.

- 1993 – 1994: Development and implementation of Community Program providing supportive services to 14 homeless women and their children and assisting them in attaining and maintaining housing.
- 1992 – 1993: Development and implementation of Amherst Street Transitional Housing Program for 9 homeless single women.
- 1991 – 1992: Development and implementation of Spruce Street Transitional Housing Program for 5 homeless women and their children.

November 1989-March 1991: Child Protective Service Worker II for the Division for Children and Youth Services, 30 Maplewood Avenue, Portsmouth, NH. Advocated for abused and neglected children in court, established support network (fostercare, visitation, and counseling) to help in the abuse/neglect recovery process.

November 1988-November 1989: Substance Abuse Counselor for Team Coordinating Agency, Phoenix East, Haverhill, MA. Counseled clients, aided and found resources

(AA/NA meetings, employment, education, and counseling) for residents in halfway house for alcoholic/addicts, age 16-25. Conducted weekly support group.

Education

Bachelor of Science degree from the University of New Hampshire, College of Life Science and Agriculture. Area of study: Family Studies.

Professional Affiliations and Honors

- **1998 to 2004** – Northern New England Housing Investment Fund. Member of Board of Directors.
- **1998 to 2004** – Northern New England Equity Fund. Member Board of Directors and Investment Committee
- **2004:** New Hampshire Business Review, Business Excellence Awards 2004, Maureen Beauregard for Excellence in Non-Profit
- **2004:** The Walter J. Dunfey Awards for Excellence in Management awarded to Families in Transition
- **2003:** YWCA Susan B. Anthony Award, Woman of the Year
- **2003:** New Hampshire Housing Finance Authority Annual Conference: Maureen Beauregard and Families in Transition recognized as Best Practice for Development of Affordable Housing in New Hampshire.
- **2002:** Great Bay Foundation: \$150,000 grant award for the development and implementation of social entrepreneurship, Family OutFITters.
- **2002:** Citizens Bank and WMUR Channel – 9, 2003 Community Champions Award for Homelessness for New Hampshire
- **2001:** Manchester Continuum of Care Narrative submission to the U.S. Dept. of Housing & Urban Development, SuperNOFA: 1 of top 10 narratives in the country.
- **2003 to Present:** YMCA Diversity Committee
- **2003 to Present:** Intown Manchester, Economic Development Committee, Trustee
- **2003:** The Sharing Foundation, Caring for Cambodia's Children Parent Advisory Council
- **2003 to Present:** New Hampshire Interagency Council on Homelessness, member appointed by Governor Benson
- **2002 to Present:** Policy Academy for the Chronically Homeless, member
- **2002 to Present:** Great Bay Foundation, Work Group consisting of 5 leading initiatives, member
- **2001 to Present:** Manchester Task Force on Housing, member appointed by Mayor
- **1999 to Present:** Northern New England Housing Investment Fund, Investment Committee, Trustee
- **1998 to Present:** Manchester Continuum of Care, Chairperson in 1998, 2003, founding member

Stephanie Allain Savard, LICSW

Licensure and Education:

- New Hampshire Licensed Independent Clinical Social Worker, #941, April, 2000 - Present.
- Masters in Social Work, Boston University, 1996.
- Bachelor of Arts – Honors in Psychology, Keene State College, 1992.
- Associate of Science in Chemical Dependency, Keene State College, 1992.
- Boston University Workshop-Based Trauma Certificate Program, 2006.
- Low Income Housing Tax Credit Certified Credit Compliance Professional (C3P), 2000.

Professional Experience:

Vice-President, Families in Transition, Manchester, NH, 1996 – Present.

- Oversight and management of clinical department with 25 staff for a permanent supportive and transitional housing program with capacity to serve 200 homeless individual and families. Oversight of clinical staff and specialized programming including: intensive case management, therapeutic services, intensive outpatient substance use treatment program specializing in co-occurring disorders & innovative therapeutic pre-school and after school program with a strength based and family focused services. Provide clinical and administrative supervision for clinical program managers to ensure quality supportive services to all participants of programs. Oversight of 24 hour emergency services hotline.
- Assume responsibilities and decision-making for agency in the absence of the President. Collaborate with President and management team on daily operations and strategic planning for the agency.
- Families in Transition Board of Directors Programs and Supportive Services Committee Member, primary liaison to Committee chair for agency.
- Extensive experience in therapeutic treatment in individual and group formats, crisis management, emergency hotline coverage, case management, intake and assessments to assist families and individuals presenting with mental health and substance use disorders, trauma histories and homelessness.

Counselor/Family Service Worker, NFI Midway Residential Shelter, Manchester, NH, 1993 – 1996.

- Supervised 15 adolescent males utilizing behavior management and normative culture techniques.
- Supervised all shifts and summer activity program; Conducted family assessments and counseling.

MSW Clinical Intern, CASPAR Emergency Service Center, Cambridge, MA, 1995-1996.

- Provided assessments, individual and group therapy to homeless adults in early recovery from substance use.

MSW Clinical Caseworker Intern, WorkSource of Work, Inc., Quincy, MA, 1994-1995.

- Provided case management, counseling, and crisis intervention to consumers with mental health disabilities.

VISTA Volunteer, Center for Human Services, Seattle, WA, 1992-1993.

- Developed and supervised volunteer program, assisted in agency fundraising and grant writing; designed and marketed public relation materials; assisted in coordinating Board of Directors and chairing Board committees.

Professional Affiliations and Volunteer Experience:

- Appointment to the NH Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention and Treatment by NH Governor Lynch, March 2010 – Present.
- Member of the Governor's Commission on Alcohol and Drug Abuse Treatment Taskforce, 2009 – Present.
- National Association of Social Workers – Member of NH Chapter Board of Directors 2004-2008; Vice-President 2006 – 2008; Executive Council Member at Large 2004-2005.
- Lazarus House Transitional Housing Advisory Council, Lawrence, MA, 2004-2008.
- NH Coalition to End Homelessness Board of Directors, 2000- 002.
- Past Member of the Manchester Homeless Continuum of Care, 2000-2007; Leadership Committee Chair – 2000-2001; Community Awareness Committee Chair, 2003-2004; 2006-2007.

Awards & Professional Memberships:

- Union Leader and Business Industry Association "40 Under 40" Leaders of New Hampshire, 2004.
- NH Homeless Service Providers Award, NH DHHS, Office of Homeless & Housing Services, 2003.

CAROLYN TOWNE

Objective: A position promoting the well-being of others, while serving the community

Education:
9/96-5/00 Bachelor of Arts, Psychology, Summa Cum Laude
University of New Hampshire at Manchester

Experience:
2/10-Present

Treatment Coordinator
Families in Transition, Manchester, NH

- Provide case management services for a caseload of 17 participants; includes support with creating a case plan and achieving individualized goals related to obtaining and/or maintaining suitable housing, improving financial management skills, obtaining/maintaining mainstream benefits, improving physical and/or mental health, obtaining gainful employment and/or increasing education, improving parenting skills, and other activities of daily living
- Connect participants to community resources and communicate with collateral contacts as needed to coordinate appropriate level of care
- Coordinate and co-lead groups and workshops related to improving interpersonal skills, managing finances, and other topics as needed
- Maintain caseload files and document services in a timely manner.

3/07-Present

Visit Supervisor
YWCA Supervised Visitation & Child Exchange Center,
Manchester, NH

- Facilitate a safe and neutral environment for visits and exchanges:
 - Responsible for supervising contact between child(ren) and non-residential parent;
 - Ensure strict adherence to Center's policies and procedures by providing clear direction and redirection as needed;
 - Document objective observations before, during, and after visits.

10/09-1/10

Parent Aide
Child and Family Services
Laconia, NH

- Supervised visits between child(ren) in placement and their parent(s)
- Modeled appropriate parenting techniques and provided coaching regarding life skills
- Supported parent(s) with identifying and accessing appropriate community resources
- Completed treatment plans, assessments, and documentation of visit notes in a timely manner

CAROLYN TOWNE

Experience

(cont.):

3/07-10/09

**Community Integration Coordinator
Fellowship Housing Opportunities, Concord, NH**

- Coordinated and provided therapeutic behavioral services and medication support services to outreach clients suffering with severe and persistent mental illness
- Resolved medication issues via communicating with client, outreach staff, pharmacy personnel, and client's treatment team as needed
- Provided direct care, including medication support services and support with activities of daily living, in a residential setting for people suffering with severe and persistent mental illness

9/04-3/07

**Housecleaner/Sub-contractor/Room Attendant
Cat's Eye Cleaning Service, Plymouth, NH
The Snowy Owl Inn, Waterville Valley, NH**

- Thoroughly cleaned guest rooms, privately owned houses, and condominium units; included removal of debris and detailed cleaning of newly constructed condominium units

3/05-6/05

**Youth Counselor
Mount Prospect Academy, Plymouth, NH**

- Provided 100% supervision of at-risk male youth
- Aided teachers in maintaining learning environment
- Maintained a safe living environment for youth in the residence
- Utilized behavioral modification level system and implemented non-violent crisis intervention as needed

10/00-6/04

**Housing Outreach Counselor/Cypress Center Counselor
The Mental Health Center of Greater Manchester, Manchester, NH**

- Outreached clients at risk for frequent hospitalizations and/or eviction, to provide medication monitoring and symptom management
- Supported clients in the community to decrease isolation and promote independence
- Provided short-term, intensive crisis stabilization activities aimed at reducing acute mental and emotional disturbances

Community Service:

5/99-5/00

**Crisis Counselor Volunteer
YWCA, Manchester, NH**

9/97-9/98

**Compeer Volunteer
The Mental Health Center of Greater Manchester, Manchester, NH**

References:

Furnished upon request

Abbie Marie Weinstein

SUMMARY OF QUALIFICATIONS

A dynamic and passionate self-starter with diversified experience and strong interest in, non-profit and social service organizations, working with underserved populations and crisis intervention services.

PROFESSIONAL EXPERIENCE

Families In Transition, Manchester, NH
Intake Coordinator

Aug 2013 – Present

Bridges Domestic and Sexual Violence Support, Nashua, NH
Social service agency.

2011-2013

Crisis Intervention Advocate (2011 - Present)

- ▲ Respond to clients in crisis. Identify problems, explore options, and support clients in making their own decisions. Offer emotional support, assistance, advocacy, referral information, and follow-up as needed.
- ▲ Document all direct service activities. Record client statistical data, including referrals if any, and maintain related agency documentation.
- ▲ Advocate with clients in the courts, police stations, hospitals, and other agencies, as determined by the client involved. Provide limited transportation to clients.
- ▲ Collaborate with other staff to enhance direct service delivery as assigned. Develop and maintain contacts with other human service providers in the greater Nashua Area. Participate in back-rotation on nights and weekends.

Volunteer Coordinator (2011 - 2013)

- ▲ Work with the Direct Service Program Coordinator to enhance the direct service provision of the agency, specifically by coordinating volunteer recruitment, training and retention.
- ▲ Schedule volunteers for shifts on the support line. Organize quarterly volunteer trainings and update training curriculum as needed.
- ▲ Supervise agency volunteers, interns and per diem workers, collaborating with the Direct Service Program Coordinator and Milford Program Coordinator Recruit and interview new volunteers with the Direct Service Program Coordinator.
- ▲ Document all volunteer activities. Maintain and secure all volunteer records. Assist in developing and facilitating team-building exercises, events and meetings for volunteers.

Support Group Facilitator (2011 - 2012)

- ▲ Created a safe, stable environment for group members. Planned and presented weekly educational topics based on member needs. Managed time in the group and keep members on topic.
- ▲ Collected and submitted monthly group attendance data for agency reporting.

AmeriCorps Victim Assistance Program, Bridges, Nashua, NH
National Service Program

2011

Crisis Intervention Advocate

- ▲ Performed this role for 3 months and was subsequently hired as a permanent employee at the agency.

AmeriCorps VISTA, YWCA NH, Manchester, NH
National Service Program

2010-2011

Development Assistant

- ▲ Developing and implementing a comprehensive public relations program to increase the visibility of YWCA programs. Send press releases and public service announcements to media outlets.
- ▲ Centralize and standardize all fliers, brochures and e-blasts for YWCA programs, events and activities.
- ▲ Crisis line volunteer advocate, work closely with advocates and group facilitators to increase attendance at support groups.
- ▲ Increased social media readership and awareness through the creation of a dedicated blog and Twitter feed, in addition to increasing Facebook followers.

Constellation NewEnergy, Boston, MA
A leading U.S. competitive energy supplier.

2007-2009

Administrative Assistant

- ▲ Worked independently and within a team on both nonrecurring and ongoing projects for all company departments as needed. Handled multiple projects for multiple departments simultaneously.
- ▲ Assisted marketing team with development and execution of direct mail campaigns and assembly of informational packets for seminars. Created flyers for company sponsored employee events.
- ▲ Scheduled and coordinated meetings and conferences. Organized travel arrangements and department activities.

Devonshire, Boston, MA

2007

Luxury rental apartments.

Marketing Administrative Assistant

- ▲ Designed and distributed weekly availability reports via email. Researched and created events flyers for building residents. Created flyers for broker incentive and updated rental listings on various websites.
- ▲ Handled leasing related inquiries and resident related issues. Scheduled broker tours, prospective resident apartment showings and freight elevator usage. Managed daily calendar and assembled client materials for the director of marketing.

Concord Monitor, Concord, NH

2005-2007

An award-winning daily newspaper.

Advertising Account Executive

- ▲ Actively pitched and acquired local business advertisers and maintained database of current prospective clients. Managed current client accounts and assured that they continued to advertise.
- ▲ Worked closely with graphic artists and production team to build successful new ads and ad campaigns for clients. Coordinated exhibits at and attended trade shows. Coordinated direct mailings to inform customers of new and upcoming advertising opportunities.

ADDITIONAL EXPERIENCE

YWCA New Hampshire 2011, Crisis Line Volunteer Advocate

HUD Point In Time Count 2011, Volunteer

Manchester Kid's Marathon 2010, Volunteer

Child Health Services 2010-11, Family Literacy Program Volunteer

Three Acre Kitchen 2009-10, Social Media Coordinator, Design Assistant

New Hampshire Film Festival 2009 & 2010, Festival Volunteer

Volunteer NH 2009, Graphic Design Volunteer

EDUCATION and SKILLS

BA in Communications, University of Massachusetts, Amherst, MA

Proficient in Microsoft Office Suite, Publisher and Social Media tools.

Completed 30hrs of crisis line advocate training at the YWCA New Hampshire.

Completed AmeriCorps Victim Assistance Program Training

SARAH DORNER

EXPERIENCE

CL Education Center, Jinhae, South Korea

Dec 2008 – Present

English Teacher

- Plan innovative lessons and activities for students ages three to fourteen
- Present new material and design tests to assess students' comprehension

Mesila Aid and Information Center, Tel Aviv, Israel

Feb 2008 – Aug 2008

Social Work Volunteer

- Organized volunteers to assist ill foreign workers
- Created and conducted original activities for after school programs for children of African parents
- Supported group of foreign workers advocating for the rights of immigrant children

Kdam Atidim English Summer Camp, Ben Shemen, Israel

July 2008

English Teacher/Counselor

- Devised English curriculum appropriate for Israeli teenagers
- Instructed English lessons in grammar, composition writing, and verb tenses

Eliot Community Human Services, Wakefield, MA

Mar 2007 – Feb 2008

Group Care Worker

- Served as role model and advocate for adolescent females residing in a residential group home
- Implemented and facilitated new and creative programming
- Maintained communication with administration, families, social workers, and schools

Student Sexuality Information Service, Brandeis University

Aug 2005 – May 2007

Counselor and Educator

- Provided confidential counseling, information, and referrals to outside resources
- Designed, facilitated, and promoted campus-wide and small-group educational programs

Temple Beth Abraham Religious School, Nashua, NH

June 2006 – June 2007

Group Facilitator

- Led informal educational groups to help female adolescents learn to confront challenges
- Produced programs to foster a sense of community and belonging

Waltham Action Research Project, Waltham, MA

Fall 2006

Collaborative Research Intern

- Managed high school students with community-based research on local after-school programs
- Developed and conducted seminars in research skills to aid students' service learning

EDUCATION

Brandeis University, Waltham, MA

December 2006

Bachelor of Arts in Psychology and Sociology, Magna Cum Laude
GPA: 3.7; Dean's List; Psi Chi National Honor Society in Psychology

University of Melbourne, Melbourne, Australia

February – June 2006

Received merit-based scholarship to pursue coursework in Australian studies, Indigenous studies, and History

VOLUNTEER ACTIVITIES

FIMRC

Raised funds, collected supplies, and volunteered in Costa Rica through the Foundation for the International Medical Relief of Children

Fall 2006

Waltham Kids' Club

Supervised children in after-school program

Fall 2003 – Fall 2005

Orientation Leader

Helped new students transition and adapt to college

Fall 2004

Families in Transition

Concord PHP

Key Personnel

Name	Title	Salary	% paid from contract	Amt pd this contract
Maureen Beauregard	President	131,329	0%	-
Stephanie Savard	Vice President	80,777	47%	37,965
Carolyn Towne	Program Manager	47,196	40%	18,878
Abbie Weinstein	Intake Coordinator	35,875	25%	8,969
Sarah Dorner	Housing Advocate	43,508	28%	12,182

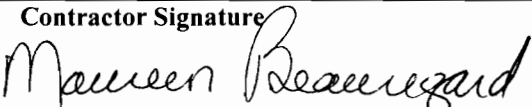
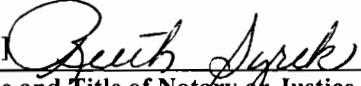
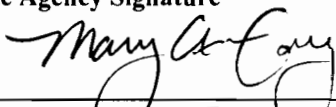
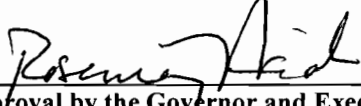
Subject: Continuum of Care Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Families in Transition		1.4 Contractor Address 122 Market Street Manchester, NH 03101	
1.5 Contractor Phone Number (603) 641-9441	1.6 Account Number 010-042-7927-102-0731	1.7 Completion Date August 31, 2015	1.8 Price Limitation \$71,374.00
1.9 Contracting Officer for State Agency Eric D. Borrin		1.10 State Agency Telephone Number (603) 271-9558	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Maureen Beauregard, President	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>3/12/14</u> 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]  RUTH A. SYREK, Notary Public My Commission Expires October 16, 2018			
1.13.2 Name and Title of Notary or Justice of the Peace Ruth Syrek, Admin Asst, Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory MARY ANN COONEY Associate Commissioner	
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>3-24-14</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: 3/12/14

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

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

Continuum of Care Program

1. **CONDITIONAL NATURE OF AGREEMENT**

1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care Grant. The State has applied for the Continuum of Care Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the Continuum of Care Grant.

2. **SERVICES**

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, the Contractor shall provide a permanent housing program that shall serve thirteen (13) homeless individuals with disabilities.
- 2.2. The goal of this program is to facilitate the movement of homeless individuals to permanent housing and maximum self-sufficiency.
- 2.3. To be eligible for contract services, individuals must be homeless as defined in HUD regulations. The Contractor must obtain and retain appropriate documentation.
- 2.4. The Contractor shall provide these services according to HUD regulations as outlined in Public Law 102-550, 24 CFR Part 578 Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program interim rule, and other written HUD policies and directives.
- 2.5. Each program participant shall have an employment assessment and employment goals included in the individual service plan, as appropriate.

3. **PROGRAM REPORTING REQUIREMENTS**

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report: Within thirty (30) days after the Completion Date, an Annual Performance Report (APR) shall be submitted to the BHHS that summarizes the results of the Project Activities, showing in particular how the Project Activities have been performed. The Annual Performance Report shall be in the form required or specified by the State.

3.1.2. Other Reports as requested by the State.

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Current NH HMIS policy can be accessed electronically through the following website: <http://www.nh-hmis.org>.



Exhibit A

3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by the BHHS.

4. CONTRACT ADMINISTRATION

- 4.1. The Contractor shall have appropriate levels of staff attend all meetings or trainings requested by the BHHS. To the extent possible, BHHS shall notify the contractor of the need to attend such meetings five working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with contractor performance.
- 4.3. The Contractor shall inform BHHS of any staffing changes.
- 4.4. Contract records shall be retained for a period of five (5) years following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and the BHHS.

5. FINANCIAL

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

5.1.1. Operating Expenses

5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.

5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter- and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

5.1.2. Supportive Services

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

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Exhibit A

- 5.1.2.2. Eligible costs include mental health services, case management services, salaries of Contractor staff providing supportive services, reasonable one-time moving costs (truck rental and hiring a moving company), child-care costs for establishing and operating child care, and providing child-care vouchers for children from families experiencing homelessness (including providing meals and snacks and comprehensive and coordinated developmental activities), education services, employment assistance and job training skills, housing search and counseling services, legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing), outpatient health services, transportation services, and utility deposits.
- 5.1.2.3. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.

5.1.3. Rental Assistance

- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
- 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
- 5.1.3.3. Long-term rental assistance must be administered by someone other than the Contractor. The Contractor must have a Memorandum of Understanding (MOU), with a State, unit of general local government, or a public housing agency.
- 5.1.3.4. Short or medium term rental assistance provided under the Rapid ReHousing program component is not subject to requirements in 578.51 (b), and is not required to be administered by a state, unit of local government, or public housing agency.
- 5.1.3.5. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
- 5.1.3.6. Rental assistance will only be provided for a unit if the rent is reasonable. The contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.

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Exhibit A

- 5.1.3.7. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits in an amount not to exceed two month's rent, advance payment of first month's rent and/or advance payment of last month's rent.
 - 5.1.3.8. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
 - 5.1.3.9. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
 - 5.1.3.10. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and sub recipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid ReHousing program component must be tenant based rental assistance.
 - 5.1.3.11. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
 - 5.1.3.12. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
 - 5.1.3.13. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative Costs
- 5.1.4.1. Administrative costs include: Preparing program budgets, schedules and amendments, developing systems for assuring compliance with program requirements, developing interagency agreements and agreements with sub recipients and contractors to carry out program activities, preparing reports and other documents related to the program for submission to HUD, evaluating program results against stated objectives, travel costs incurred for official business in carrying out the program, administrative

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Exhibit A

services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services), and other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).

5.2.1. The contractor must match all grant funds except for leasing funds, with no less than twenty-five percent of funds or in-kind contributions from other sources.

5.2.2. Match requirements are to be documented with each payment request.

5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 4.1. The Contractor must have written approval from the State prior to billing for any other expenses.

5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 583.315). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.

5.5. The contractor shall have any staff charged in full or part to this contract or counted as match complete weekly or bi-weekly timesheets.



Exhibit B

METHOD AND CONDITIONS PRECEDENT TO PAYMENT

Continuum of Care Program

The following financial conditions apply to the scope of services as detailed in Exhibit A – Continuum of Care Program.

This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund: Not applicable
Federal Funds:
CFDA #: 14.235
Federal Agency: U.S. Department of Housing & Urban Development
Program Title: Continuum of Care Program
Total Amount Continuum of Care Program;
September 1, 2014 – August 31, 2015: not to exceed \$71,374.00
Funds allocation under this agreement for Continuum of Care Program;
Supportive Services: \$69,134.00
Administrative costs: \$2,240.00
Total program amount: \$71,374.00

1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, in an amount not to exceed and for the time period specified above.
2. PROJECT COSTS: PAYMENT SCHEDULE; REVIEW BY THE STATE
 - 2.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in OMB Circular A-87 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of OMB Circular A-122.
 - 2.2. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount not to exceed as specified above. Reimbursement requests for all Project Costs shall be submitted on a



Exhibit B

monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor shall provide additional financial information if requested by the State to verify expenses.

- 2.3. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture pursuant to 24 CFR Subsection 576.55. The funds authorized to be expended under this Agreement shall be used only for operations, supportive services, leasing, rental assistance and administration or reimbursement for expenditures for operations, supportive services, leasing, and rental assistance and administration, provided by the Contractor for the project period and operating years of the Continuum of Care Program as approved by HUD and in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578.

3. USE OF GRANT FUNDS

- 3.1. The State agrees to provide payment for actual costs, up to the not to exceed amount for the Continuum of Care Program as specified in this Exhibit, as defined by HUD under the provisions of P.L. 102-550 and applicable regulations.
- 3.2. The Contractor may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval from the State.
- 3.3. Conformance to OMB Circular A-110: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in OMB Circular A-110.

4. CONTRACTOR FINANCIAL MANAGEMENT SYSTEM

- 4.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
- 4.2. The Contractor shall maintain a financial management system that complies with Attachment G of A-102, "Standards of Contractor Financial Management Systems" or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2 of this Agreement.



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

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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.



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



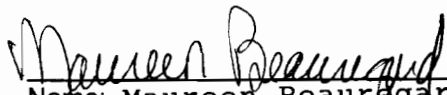
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
 - 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 in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



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

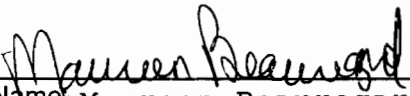
The undersigned certifies, to the best of his or her knowledge and belief, that:

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: Families in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



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

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

INSTRUCTIONS FOR CERTIFICATION

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

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

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

PRIMARY COVERED TRANSACTIONS

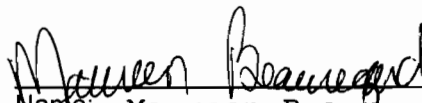
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 -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

3/12/14
Date


Name: Maureen Beauregard
Title: President



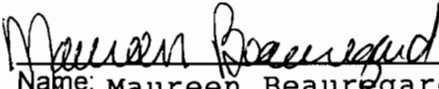
**CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE**

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: Families in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



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: Families in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

Definitions

1. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D, Sec. 13400.
2. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
3. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
4. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
5. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
6. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
7. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
8. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
9. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
10. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
11. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
12. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
13. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
14. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
15. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
16. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.



Use and Disclosure of Protected Health Information

1. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. Business Associate may use or disclose PHI:
 - 2.1. For the proper management and administration of the Business Associate;
 - 2.2. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - 2.3. For data aggregation purposes for the health care operations of Covered Entity.
3. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
4. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.
5. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

Obligations and Activities of Business Associate

1. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
2. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec. 13404.
3. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
4. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
5. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

Handwritten initials in black ink, appearing to be 'NAB'.



6. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
7. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
8. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
9. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
10. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
11. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

Obligations of Covered Entity

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

Termination for Cause

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

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



Miscellaneous

1. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
2. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
3. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
4. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
5. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
6. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

Contractor Name: Families in Transition

3/12/14
Date

Maureen Beauregard
Name: Maureen Beauregard
Title: President

State Agency Name:

3/18/14
Date

NH DHHS
Mary Ann Cooney
Name: Mary Ann Cooney
Title: Associate Commissioner



**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: Families in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President

Contractor Initials 

Date 3/12/14



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: 825360399

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

X NO _____ YES

If the answer to #2 above is 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:

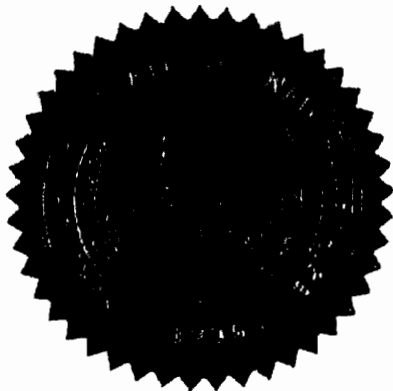
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

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

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FAMILIES IN TRANSITION is a New Hampshire nonprofit corporation formed May 13, 1994. 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 June A.D. 2013

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Karyn O'Neil, 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 in Transition.
(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 March 12, 2014
(Date)

RESOLVED: That the President
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of
the 12 day of March, 2014.
(Date Contract Signed)

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

of the Agency.

Karyn O'Neil
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 12 day of March, 2014.

By Karyn O'Neil
(Name of Elected Officer of the Agency)

Ruth Syrek
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: _____
RUTH A. SYREK, Notary Public
My Commission Expires October 16, 2018

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

MANCHESTER, NEW HAMPSHIRE

**CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2012

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

MANCHESTER, NEW HAMPSHIRE

**CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Families in Transition, Inc. and Subsidiaries
Manchester, New Hampshire

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Families in Transition, Inc. and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2012 and the related consolidated 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 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 these consolidated financial statements based on our audit. We did not audit the financial statements of the individual subsidiaries (Millyard Families II Limited Partnership, Bicentennial Families Concord Limited Partnership, Family Bridge Limited Partnership, Family Willows Limited Partnership, Belmont Street Family Housing, School/Third Street, and Lowell Street) which statements reflect total assets constituting 81.7 percent of consolidated total assets at December 31, 2012, and total revenues constituting 42.2 percent of consolidated total revenues for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these subsidiaries, is based solely on the reports of the other auditors. 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no

such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

We were not engaged to audit the financial statements of Family OutFITters, LLC, a subsidiary of Families in Transition, Inc. Management has decided to omit the financial position of Family OutFITters, LLC as of December 31, 2012 and its statements of activities, functional expenses, and cash flows for the year then ended. Total assets, liabilities, revenues and expenses of this subsidiary as of December 31, 2012 and for the year then ended are \$195,799, \$124,659, \$665,829 and \$722,119, respectively. In our opinion, the inclusion of this subsidiary in the consolidated financial statements is required by accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Families in Transition, Inc. and its subsidiaries as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating financial statements and the financial statements of Families in Transition, Inc. (not including subsidiaries) are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Summarized Comparative Information

The summarized financial information for 2011 has been derived from the Families in Transition, Inc.'s 2011 financial statements, which were audited by a predecessor auditor. An unqualified audit opinion was issued on those financial statements dated March 20, 2012. As part of our audit of the 2012 financial statements, we also audited the adjustments described in Note S that were applied to restate the 2011 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2011 financial statements

of the Entity other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2011 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 April 5, 2013, on our consideration of Families in Transition, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. 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 Families in Transition, Inc.'s internal control over financial reporting and compliance.

Wachon Clukay & Company PC

Manchester, New Hampshire
April 5, 2013

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2012 AND 2011

ASSETS

	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	\$ 620,278	\$ 1,228,115
Accounts receivable	43,692	205,427
Grants receivable	108,980	124,213
Prepaid expenses	65,586	56,455
Reserve cash designated for properties	940,581	966,212
Other assets	44,277	22,493
TOTAL CURRENT ASSETS	1,823,394	2,602,915
NON CURRENT ASSETS		
Investments	29,707	28,629
Land, buildings and equipment - net	24,756,211	24,509,767
Other assets - financing fees	172,393	186,159
TOTAL NON CURRENT ASSETS	24,958,311	24,724,555
TOTAL ASSETS	\$ 26,781,705	\$ 27,327,470
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 121,296	\$ 100,872
Accounts payable	92,898	144,385
Accrued expenses	84,815	160,909
Funds held as fiscal agent	66,506	74,626
Deferred revenue	3,668	5,876
Due to related entity	1,976	3,246
Security deposits	28,252	26,344
TOTAL CURRENT LIABILITIES	399,411	516,258
NONCURRENT LIABILITIES		
Minority Interest	6,652,776	7,311,817
Long-term debt, less current portion	10,067,905	9,899,481
TOTAL LIABILITIES	17,120,092	17,727,556
NET ASSETS		
Unrestricted	9,443,806	9,072,326
Temporarily restricted	217,807	527,588
TOTAL NET ASSETS	9,661,613	9,599,914
TOTAL LIABILITIES AND NET ASSETS	\$ 26,781,705	\$ 27,327,470

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

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	<u>UNRESTRICTED</u>	TEMPORARILY <u>RESTRICTED</u>	2012 <u>TOTAL</u>	2011 <u>TOTAL</u>
REVENUE AND SUPPORT				
Federal, state and other grant support	\$ 1,683,498	\$ 280,318	\$ 1,963,816	\$ 3,601,616
Rental income	1,590,097		1,590,097	1,634,635
Public support	114,182		114,182	157,774
Tax credit contributions	33,600		33,600	188,100
Special events	158,436		158,436	119,821
Property management fees	-		-	424,756
Developer fees	-		-	443,700
VISTA program revenue	94,931		94,931	70,503
Unrealized (loss) gain on investments	1,078		1,078	(342)
Realized (loss) on disposal of assets	(5,998)		(5,998)	(2,912)
Interest income	29,946		29,946	1,993
In kind donations	25,585		25,585	29,693
Other income	342,318		342,318	104,756
Net assets released from restrictions	590,099	(590,099)		
TOTAL REVENUE AND SUPPORT	<u>4,657,772</u>	<u>(309,781)</u>	<u>4,347,991</u>	<u>6,774,093</u>
EXPENSES				
Program expenses	4,221,855		4,221,855	4,118,752
Fund-raising	426,802		426,802	272,390
Management and General	296,676		296,676	669,442
TOTAL EXPENSES	<u>4,945,333</u>		<u>4,945,333</u>	<u>5,060,584</u>
INCREASE (DECREASE) IN NET ASSETS				
BEFORE MINORITY INTERESTS	(287,561)	(309,781)	(597,342)	1,713,509
Add back losses attributed to				
Minority Interests	659,041		659,041	343,550
INCREASE (DECREASE) IN NET ASSETS	<u>371,480</u>	<u>(309,781)</u>	<u>61,699</u>	<u>2,057,059</u>
NET ASSETS - BEGINNING OF YEAR, as restated	<u>9,072,326</u>	<u>527,588</u>	<u>9,599,914</u>	<u>7,542,855</u>
NET ASSETS - END OF YEAR	<u>\$ 9,443,806</u>	<u>\$ 217,807</u>	<u>\$ 9,661,613</u>	<u>\$ 9,599,914</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	<u>PROGRAM ACTIVITIES</u>	<u>FUND- RAISING</u>	<u>MANAGEMENT AND GENERAL</u>	<u>2012 TOTAL</u>	<u>2011 TOTAL</u>
EMPLOYEE COMPENSATION					
Wages	\$ 1,266,830	\$ 256,790	\$ 188,313	\$ 1,711,933	\$ 1,689,901
Temporary labor	-	-	-	-	-
Employee benefits	138,760	28,127	20,626	187,513	189,278
Payroll taxes	107,470	21,785	15,975	145,230	140,681
TOTAL WAGES AND RELATED	1,513,060	306,702	224,914	2,044,676	2,019,860
EXPENSES					
Administrative housing expenses	45,485			45,485	201,589
Advertising	3,451	486	357	4,294	5,761
Amortization	13,766			13,766	
Bank charges			3,072	3,072	2,929
Consultants	8,877	1,799	1,320	11,996	101,940
Daycare and rental subsidies	142,643			142,643	183,958
Depreciation	768,728	21,986	16,123	806,837	714,521
Development expenses				-	8,846
Events		26,431		26,431	32,085
General housing expenses	166,343			166,343	221,445
General insurance	62,759	6,733	4,937	74,429	44,344
Interest expense	102,197			102,197	46,633
Interest-Mortgage	105,738			105,738	101,012
Management fees	35,049			35,049	119,119
Meals and entertainment	5,187	1,052	771	7,010	5,228
Membership dues and subscription:	5,908	1,198	878	7,984	6,469
Office supplies	40,786	8,268	6,063	55,117	54,349
Participant clothing and expenses	56,337			56,337	49,076
Postage	4,762	965	708	6,435	4,136
Printing	13,728	2,783	2,041	18,552	4,606
Professional fees	53,833	5,460	4,004	63,297	41,786
Repairs and maintenance	300,020	12,906	9,464	322,390	405,894
Staff development and supervision	12,837	2,602	1,908	17,347	44,046
Subrecipient grants	648			648	23,274
Taxes - property and BET	119,967			119,967	31,943
Technology support	45,170	9,156	6,714	61,040	72,031
Telephone	37,185	7,184	5,268	49,637	48,198
Travel	24,644	4,995	3,663	33,302	36,652
Utilities	338,350			338,350	327,769
VISTA program	164,322			164,322	70,848
Workers' compensation insurance	30,075	6,096	4,471	40,642	27,979
In kind expense - services	-			-	2,258
TOTAL EXPENSES 2012	\$ 4,221,855	\$ 426,802	\$ 296,676	\$ 4,945,333	
TOTAL EXPENSES 2011	\$ 4,118,752	\$ 272,390	\$ 669,442		\$ 5,060,584

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

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2012</u>	<u>2011</u>
Change in net assets	\$ (597,342)	\$ 1,713,509
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	806,837	714,521
Amortization	13,766	
Forgiveness of debt	(131,267)	(65,634)
Unrealized loss (gain) on investments	(1,078)	342
Loss on asset disposal	5,998	2,912
(Increase) decrease in accounts receivable	161,735	(175,210)
Decrease in grants receivable	15,233	15,334
(Increase) in prepaid expenses	(9,131)	(4,831)
(Increase) decrease in other assets	(21,784)	3,460
Neighborhood Stabilization Grant-Belmont		(1,408,320)
Increase (decrease) in accounts payable	(51,487)	48,751
Increase (decrease) in accrued expenses	(76,094)	53,866
(Decrease) in funds held as fiscal agent	(8,120)	
Increase (decrease) in deferred revenue	(2,208)	298
(Decrease) in due to related party	(1,270)	
Increase in security deposits	1,908	6,692
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>105,696</u>	<u>905,690</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash purchases of property and equipment	<u>(1,059,279)</u>	<u>(2,718,201)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(1,059,279)</u>	<u>(2,718,201)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowing	490,223	2,685,049
Payments on debt	<u>(170,108)</u>	<u>(379,134)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>320,115</u>	<u>2,305,915</u>
INCREASE (DECREASE) IN CASH	(633,468)	493,404
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,194,327</u>	<u>1,700,923</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,560,859</u>	<u>\$ 2,194,327</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	<u>\$ 207,935</u>	<u>\$ 130,441</u>

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

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

NOTE A - ORGANIZATION

Families in Transition, Inc. (the Entity) was incorporated as a non-stock, non-profit corporation under New Hampshire law on May 13, 1994. The Entity, which began independent operations effective January 1, 1995, provides housing and comprehensive social services to individuals and families who are homeless or at risk of becoming homeless in the Concord and Manchester, New Hampshire area. The Entity receives funding from federal, state and private grants as well as cash and non-cash contributions from the public and from private operations.

The Entity operates housing programs in facilities located on Spruce and Amherst Streets in Manchester, New Hampshire. These programs were formerly run by the New Hampshire Community Loan Fund (NHCLF). Effective January 1, 1995, all leases and contracts related to the programs were assigned to the Entity. Additional housing facilities were opened at 106 and 122 Market Street, Manchester as well as in Bicentennial Square in Concord in 2004, on Second Street in Manchester in 2005, on Douglas Street in 2007 and on South Beech Street in 2008.

In 2008, Families in Transition created a Community Development Housing Organization (CHDO), Housing Benefits, Inc. Housing Benefits, Inc. identifies and develops new housing units and refurbishes existing units to meet the persistent need of combating homelessness. The Entity owns six properties. Two of the buildings, located at School and Third Streets, were acquired in 2009. Two of the locations became operational in 2011 and are located at Lowell Street and Belmont Street. In 2012, the CHDO purchased two additional properties - one at 106 Market St, Manchester, NH, which was already operational and one at 576 Central Ave. in Dover, NH which will become operational in 2013.

In 2012, Families in Transition acquired Manchester Emergency Housing, Inc., a Manchester, NH-based entity that provides emergency shelter for families. The Entity also acquired the New Hampshire Coalition to End Homelessness, a statewide entity, whose mission is to "eliminate the causes of homelessness through research, education and advocacy." As both entities are separate 501(c)3's with fiscal year-ends of June 30, the entities financials are summarized in Note R of the Notes section of the audit.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Families in Transition, Inc. are prepared using the accrual basis of accounting.

Basis of Presentation

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

Temporarily restricted net assets - Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Entity and/or the passage of time. When a restriction expires, net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets are released.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation (continued)

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained in perpetuity and only the income from the funds may be expended. As of December 31, 2012, the Entity had no permanently restricted net assets.

Use of Estimates

The financial statements include estimates and assumptions made by management that affect the carrying amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results may differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Entity considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Contributions

The Entity reports gifts of cash or other assets as restricted contributions when they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (such as when a stipulated time restriction ends), temporarily restricted net assets are released to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Net assets are released from donor restrictions when time restrictions are realized or the intended purposes of the fund are satisfied. Temporarily restricted net assets of \$217,807 at December 31, 2012, represent amounts designated for program services, not yet expended. (See also Note K.)

Donated Property, Equipment and Services

Donations of property and equipment are recorded at fair market value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted their use.

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 Entity reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Entity reclassifies restricted net assets as unrestricted net assets at that time.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Donated Property, Equipment and Services (continued)

A number of volunteers have donated their time to the Entity's program and administrative services. The value of these services is not reflected in the accompanying financial statements since the volunteers' time does not meet criteria for the recognition. An estimate of the value of this donated time is \$627,013.

Property, Plant, Equipment and Depreciation

Property, plant and equipment are recorded at cost or, in the case of donated assets, at fair market value. The Entity's capitalization policy includes recording assets greater than \$1,000. Repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the fixed assets. (See also Note D.)

Functional Expenses

Functional expenses have been allocated between program services and supporting services based on estimated personnel time and space utilized for the related activity.

Income Taxes

The Entity has received a determination letter from the Internal Revenue Service stating that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code for its exempt function income. In addition, the Entity is not subject to state income taxes.

On July 13, 2006, the FASB issued an income tax pronouncement, which fundamentally changes the way that the Entity will be required to treat its uncertain tax positions for financial accounting purposes. It prescribes rules regarding how the Entity should recognize, measure and disclose in its financial statements tax positions that were taken or will be taken on the Entity's tax return that are reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in an increase in a liability for income taxes payable, or a reduction in a deferred tax asset or an increase in a deferred tax liability. On January 1, 2009, the Entity adopted this pronouncement. At the adoption date, the Entity did not have any unrecognized tax benefits and determined the impact of this interpretation was not material to the Entity's financial statements. During the year ending December 31, 2012, no new additional unrecognized tax benefits were identified. As of December 31, 2012, the tax years ending December 31, 2011, 2010, and 2009 are open for possible tax examination.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Taxes (continued)

The Entity does not expect that the amounts of unrecognized tax transactions will change significantly within the next twelve months.

Principles of Consolidation

At December 31, 2012, the Entity owned 79% of Brick Mill House Families, Inc. ("Brick Mill"), 100% of Brick Mill House Families II, Inc. ("Brick Mill II), 21% of Tricorner Corporation ("Tricorner"), 100% of Bicentennial Family Concord, 100% of Family Mill, Inc., and 100% of Big Shady Tree, Inc., all of which are New Hampshire corporations. The Entity also owns 100% of Family OutFITters, LLC, a limited liability corporation. Through complete management control, Families in Transition, Inc. also has indirect ownership in Millyard Families II Limited Partnership ("Millyard II"), Bicentennial Families Concord Limited Partnership, Family Bridge Limited (Family Mill), and Family Willows Limited Partnership, all of which are New Hampshire Limited Partnerships, whereby Brick Mill II is a sole .01% general partner, Bicentennial Family Concord is a sole .01% general partner, Family Mill is a .01% general partner and Family Willows is a .01% general partner. The financial statements include the accounts of Families in Transition, Inc. and the Investments in Brick Mill and Brick Mill II, Tricorner, Bicentennial Family Concord, Family Mill, Family Willows and Family OutFITters on the cost basis of accounting.

The Partnerships are considered variable interest entities and are consolidated in the financial statements of Families in Transition, Inc. as required by (EITF) 04-5.

In October, 2002, the subsidiary entity, Family OutFITters, LLC was created with Families in Transition as its sole member. Family OutFITters, LLC operates as an independent thrift store with the sole purpose of being an alternate funding stream for Families in Transition. In 2012, Family OutFITters operated a thrift store in Manchester, NH and a boutique in Concord, NH. As the financial statements of Family OutFITters, LLC, were not audited for fiscal year ending December 31, 2012 and December 31, 2011, management has decided to omit the financial position of Family OutFITters, LLC as of December 31, 2012 and December 31, 2011 and its statements of activities, functional expenses, and cash flows from these consolidated financial statements.

In 2011, Families in Transition purchased a property at 20 South Main Street, Concord, NH. This property serves as the new location for the Family Outfitters Concord boutique and also includes tenant-leased office space and two apartments.

Housing Benefits, Inc., incorporated in 2008 as a non-stock, non-profit corporation under New Hampshire law, currently serves as the property acquisition and renovation arm of Families in Transition. The corporation identifies and develops new housing units and refurbishes existing units to meet the persistent need of combating homelessness.

The partnership of Millyard Families Limited Partnership (Millyard I LP) dissolved on August 15, 2012. For this reason, activity shown is partial year. This dissolution was granted at the request of the limited partner to exit the partnership and to dispose of the property. The newly formed entity, Millyard I, was then acquired by Housing Benefits, Inc.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE C – INVESTMENT IN RELATED ENTITIES

Investment in related entities is comprised of the following:

Brick Mill House Families, Inc.	79%	\$ 65,275
Brick Mill House Families II, Inc.	100%	0
Tricorner	21%	1,000
Family OutFITters, LLC	100%	1,000
Bicentennial Family Concord, Inc.	100%	340,000
Second Street Family Mill, Inc.	100%	788,972
Big Shady Tree, Inc.	100%	<u>100</u>
		<u>\$ 1,196,347</u>

The Entity's 100% interest in Brick Mill House Families II, Inc. is carried at no value in the financial statements because management does not believe that future benefits will exceed future expenditures relating to the entity. (See Note B regarding principles of consolidation). Investments in related entities are eliminated in the consolidated financial statements.

NOTE D – PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION

	Useful Lives	Families	Properties	2012 Total	2011 Total
Furniture and fixtures	5 years	\$203,072	\$184,189	\$ 387,261	\$ 379,121
Equipment	5 years	277,665	131,917	409,582	363,128
Vehicles	5 years	178,444	-0-	178,444	128,559
Land			2,707,082	2,707,082	2,705,697
Buildings and improvements	30 years	<u>2,502,470</u>	<u>23,218,124</u>	<u>25,720,594</u>	<u>25,323,620</u>
Total		3,161,651	26,241,312	29,402,963	28,900,125
Less accumulated depreciation		<u>(796,933)</u>	<u>(3,849,819)</u>	<u>(4,646,752)</u>	<u>(4,390,358)</u>
Book value, net		<u>\$2,364,718</u>	<u>\$22,391,493</u>	<u>\$24,756,211</u>	<u>\$24,509,767</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE E- RELATED PARTY NOTES RECEIVABLE

Long-term receivables consist of notes due from related parties; Millyard Families I, Bicentennial Families Concord Limited Partnership, Family Bridge Limited Partnership and Family Willows Limited Partnership. These notes are eliminated in consolidation:

A mortgage receivable of \$400,000, secured by real property. The note bears simple interest at 7.03% per annum, maturing in May 2026. Interest only payments are to be paid monthly to the extent of fifty (50%) percent of net positive cash flow on Millyard I financials. Accrued interest receivable at December 31, 2012 was \$161,899.

\$ 400,000

An unsecured, promissory note of \$400,799, due from Family Bridge LP. The note bears simple interest at 5.21% per annum, maturing in August 2034. No interest was paid in 2012. Accrued interest receivable at December 31, 2012 was \$123,551.

400,799

A promissory note of \$400,000, secured by real estate, due from Family Willows Limited partnership. The note bears interest at 5.21%. Payment of principal and interest is deferred until June 29, 2036. Accrued interest at December 31, 2012, was \$139,869.

400,000

A mortgage receivable of \$275,000, secured by real property, due from Bicentennial Concord. The note bears simple interest at 4.79% per annum, maturing in May 2033. Payments are applied first to interest due and then to principal. The balance of principal due shall be paid in 2033. No interest payments were received in 2012. Accrued interest receivable at December 31, 2012, was \$110,073.

275,000

A promissory note of 250,000, secured by real estate, due from Family Willows Limited Partnership. The note bears interest at 5.15%. Payment of principal and interest is deferred until June 29, 2037. Accrued interest at December 31, 2012, was \$65,855.

250,000

Total long-term portion

\$ 1,725,799

The following is a summary of maturities due on long term receivables as of December 31, 2012:

<u>Year Ended</u> <u>December 31</u>	<u>Amount</u>
2013	\$ 0
2014	0
2015	0
2016	0
2017	0
Thereafter	<u>1,725,799</u>
Total	<u>\$1,725,799</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT

Long term debt consists of the following:

A mortgage loan payable to New Hampshire Housing Finance Authority in monthly payments of \$680, including interest at 1% and an escrow of \$289. The note is secured by real estate located on Amherst Street, Manchester, NH. The loan is due and payable in full in January, 2033.	\$ 74,376
A note payable to New Hampshire Housing Finance Authority. The note is non-interest bearing and is secured by real estate located on Amherst St. The loan is due and payable upon sale or refinancing of the property or in June 2042.	123,249
A mortgage loan payable to St. Mary's Bank in monthly payments of \$989.50, including interest at 6.25%. The note is secured by real estate on Spruce Street, Manchester, NH and is due and payable in full in February, 2019.	139,741
3 vehicle loans payable to a dealership in monthly payments of \$206 per loan at 6.99% annual interest rate. The loans are due and payable in July, 2013.	4,280
A vehicle loan on an activity bus payable to New Hampshire Health and Education Facilities Authority in monthly payments of \$524.78 at 1% annual interest rate. The loan is due and payable in February, 2017.	25,689
A mortgage note, secured by real estate at Beech Street payable to TD Bank, N.A. in monthly payments of \$1,359, including interest at 7.1% and principal. The loan is due and payable in full in November, 2023.	117,608
A mortgage note, secured by real estate on Douglas St., payable to RBS Citizens Bank in monthly payments of \$2,126, including interest at 4.93% and principal. The loan is due and payable in full in April, 2024.	264,855
Note payable to the City of Manchester, NH, payable in annual installments of \$1,977 at 0% interest. The loan is due and payable in full in October, 2014.	3,955
A mortgage note payable from Bicentennial Families Concord Limited Partnership, to the New Hampshire Housing Finance Authority, secured by real estate and personal property. Monthly payments of \$1,095 include interest at 4.75% per annum until the principal and interest are fully paid with the final installment due and payable on May 1, 2034.	175,021
A promissory note payable from Bicentennial Families Concord Limited Partnership to the New Hampshire Housing Finance Authority. The note is non-interest bearing and is secured by real estate and various financing instruments. The loan is due and payable in May 2034.	102,325

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT (CONTINUED)

<p>A promissory note from Bicentennial Families Concord Limited Partnership to the New Hampshire Housing Finance Authority. The note is non-interest bearing and is secured by real estate and various financing instruments. The loan is due and payable in May 2033.</p>	<p>337,720</p>
<p>A promissory note payable from Bicentennial Families Concord Limited Partnership to Merrimack County. The note is non-interest bearing and is secured by real estate and various financing instruments. All unpaid amounts are due and payable in full May 27, 2033.</p>	<p>260,000</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the New Hampshire Housing Finance Authority. The note is secured by real estate and various financing instruments. The loan is due and payable upon sale or refinancing of the property or in May 2031. This loan is non-recourse.</p>	<p>462,309</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the New Hampshire Housing Finance Authority. The note is secured by real estate and personal property. Monthly payments of \$1,729 include principal and interest at 3.5% per annum. The final installment is due and payable on September 1, 2032.</p>	<p>290,630</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the City of Manchester, secured by the real estate and various financing instruments. All unpaid amounts are due and payable in full on August 1, 2031. This note is non-recourse.</p>	<p>227,521</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the New Hampshire Community Loan Fund, Inc., secured by real estate. All unpaid amounts are due and payable in full on December 31, 2031. This note is non-recourse.</p>	<p>250,000</p>
<p>A mortgage note payable from Millyard Families I to the City of Manchester Community Improvement Program. The note is non-interest bearing and is due and payable in January 2027.</p>	<p>230,000</p>
<p>A note payable from Millyard Families I to the New Hampshire Community Loan Fund secured by real estate. Monthly payments of \$1,121 include principal and interest at 2% per annum. The final installment is due and payable on June 15, 2022.</p>	<p>116,285</p>
<p>A mortgage note payable from Family Bridge Limited Partnership to New Hampshire Housing Finance Authority secured by real estate and personal property. The note bears no interest and is to be repaid from 50% of available surplus cash annually with all remaining principal due on August 30, 2034.</p>	<p>850,000</p>
<p>A promissory note from Family Bridge Limited Partnership payable to TD Bank, N.A. Monthly payments of \$3,953 include principal and interest at 7.71%. The loan is payable in full in October 27, 2023.</p>	<p>501,084</p>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT (CONTINUED)

<p>A promissory note payable from Family Bridge Limited Partnership to the City of Manchester. The note is non-interest bearing and all outstanding principal is due by October 1, 2034. The note is secured by real estate and is non-recourse.</p>	<p>600,000</p>
<p>A mortgage note payable from Family Willows Limited Partnership to the New Hampshire Housing Finance Authority, secured by real estate and personal property. The note is to be repaid from 50% of available surplus cash annually with all remaining principal due on July 9, 2037.</p>	<p>598,957</p>
<p>A promissory note payable from Family Willows Limited Partnership to the City of Manchester. The note is non-interest bearing and has an annual payment of \$9,091 payable on October 1 each year. All outstanding principal is due by October 2029. The note is secured by real estate and is non-recourse.</p>	<p>154,545</p>
<p>A promissory note payable from Family Willows Limited Partnership to RBS Citizens Bank. Monthly payments of principal and interest (currently at 3.25%) of \$2,207 are due until October 14, 2033 when all outstanding principal and interest must be paid. The note is secured by real estate and is guaranteed by Families in Transition.</p>	<p>336,191</p>
<p>A mortgage note payable from School/Third Street to the New Hampshire Housing Finance Authority, secured by real estate and personal property. Monthly payments of \$2,774, include principal and interest at 8% per annum. The note is due April 1, 2021.</p>	<p>200,540</p>
<p>A mortgage note payable from School/Third Street to New Hampshire Community Loan Fund. The note is non-interest bearing. Monthly payments of \$2,774 will commence in April 2021 and continue until maturity in September, 2039.</p>	<p>617,613</p>
<p>A non-interest bearing mortgage note payable from Belmont Street Family Housing to the New Hampshire Housing Finance Authority, secured by real estate and personal property. The note will be paid annually in amounts equal to 50% of surplus cash and must be paid in full by December, 2040.</p>	<p>433,000</p>
<p>A privately-financed mortgage note secured by property located at South Main Street in Concord, NH. Monthly payments of \$3,158 include principal and interest at 6.25% per annum. The note will be paid in full in September 2031.</p>	<p>417,878</p>
<p>A non-interest bearing mortgage note payable from Lowell Street to the New Hampshire Housing Finance Authority, secured by real estate and personal property. The note will be paid annually in amounts equal to 50% of surplus cash. The loan is due and payable in August, 2040.</p>	<p>78,681</p>
<p>A non-interest bearing mortgage note payable from Lowell Street to the City of Manchester. Annual payments equal to the greater of 25% of new cash flow or \$4,000 commenced in October 2012 and will continue until the maturity date in June 2041.</p>	<p>198,049</p>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT (CONTINUED)

A non-interest promissory note payable from Lowell Street to the New Hampshire Housing Finance Authority secured by a mortgage and security agreement. The note will be forgiven 1/15th per year over the LIHTC compliance period. A total of \$131,267 in income was recognized during 2012. The loan is due and payable in August, 2040.

1,772,099

A promissory note payable from Dover Housing Project to New Hampshire Housing Finance Authority. The note bears no interest and is secured by a mortgage and security agreement. The note will be paid annually from surplus cash and must be paid in full by June 2028.

225,000

Total long-term debt

\$10,189,201

Less current maturities

121,296

Total long-term debt per Consolidated Statement of Financial Statements

\$10,067,905

Total long-term debt

\$10,189,201

Total related party long-term debt (see Note E)

\$ 1,725,799

Total interorganization long-term debt

\$11,915,000

The aggregate maturities of long term debt are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Amount</u>
2013	\$ 121,296
2014	122,678
2015	126,734
2016	131,988
2017	134,169
Thereafter	<u>9,552,336</u>
Total	<u>\$10,189,201</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE G – OPERATING LEASES

The Entity rents corporate office space located at 106 Market and 122 Market Streets in Manchester, New Hampshire under tenant-at-will arrangements. The rent payments to Millyard I for 106 Market Street were \$300 per month. The rent payments to Millyard II for 122 Market Street were \$500 per month. Office space is also maintained at the Concord Bicentennial location at a rate of \$527.50 per month. The Entity incurred a total of \$15,930 in rent expense of its office space in 2012.

NOTE H – CONTINGENCIES

The Entity participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amounts, if any, of additional expenses which may be disallowed by the granting agency cannot be determined at this time, although the Entity expects such amounts, if any, to be immaterial.

NOTE I – GRANT REVENUE

The Entity's primary sources of support are fees and grants received from the federal government, the State of New Hampshire, and local foundations. The recognized revenue from grants for the year ended December 31, 2012 was \$1,963,816 (or 45.5% of total revenue). The various grant agreements are awarded on an annual basis or bi-annual basis. Revenue is recognized as earned under the terms of the contract and is received on a cost reimbursement basis. Other support originates as rental income, property management fees, public support and miscellaneous sources.

NOTE J – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Entity's financial instruments, none of which are held for trading purposes, include cash, investments, accounts payable, accounts receivable and notes receivable. The Entity estimates that the fair value of all financial instruments at December 31, 2012, does not materially differ from the aggregated carrying values of its financial instruments recorded in the accompanying statements of financial position.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE K – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following specific services:

The Family Place	\$ 5,018
Research and training	40,000
Lowell Street	12,932
Manchester Emergency Housing	13,700
Scholarships and tutoring	12,595
VISTA program	71,992
Dover Housing Program	20,000
Direct care for clients	16,570
Grant receivable-time restricted	25,000
	<hr/>
	\$ 217,807

NOTE L – RETIREMENT PLAN

The Entity has a tax deferred retirement plan which is available to all full-time employees. All employees are eligible to participate and are fully vested with the first contribution. The Entity matches contributions at 100% up to 3% of compensation. In calendar year 2012 the Entity contributed \$33,257 as its employer match expenses. At December 31, 2012, twenty-eight employees were participating in the plan.

NOTE M – HOUSING ACTION NEW HAMPSHIRE

In 2011, Families in Transition entered into a Fiscal Sponsorship Agreement with Housing Action New Hampshire (HANH), an unincorporated association. Authority to manage the programmatic activities of HANH is vested solely in HANH. Families in Transition maintains the books and financial records for HANH in accordance with generally accepted accounting principles. HANH is presented in the Families in Transition financial statements as a "funds held as fiscal agent" liability with the corresponding cash balance.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE N – MINORITY INTEREST

Minority interest, as shown on the Statement of Financial Position, represents investments by Limited Partners in the properties according to the following schedule:

<u>Limited Partner</u>	<u>Property</u>	<u>Minority Interest</u>
Community Capital 2000	Millyard Families II	\$ 1,159,663
NH Housing Equity Fund	Bicentennial Families	440,412
JP Morgan Chase	Bicentennial Families	440,498
BCCC, Inc.	Family Bridge	10
Boston Capital Corporate	Family Bridge	2,056,161
BCCC, Inc	Family Willows	10
Boston Capital Midway	Family Willows	2,556,022
		<u>\$ 6,652,776</u>

NOTE O – Line of Credit

In 2005, the Entity obtained a line of credit of \$100,000 with a financial institution. This line of credit matured on May 31, 2006 has been renewed annually each year since. During the term of agreement, the interest rate on any outstanding principal balance shall be equal to the Base Rate, as defined by the financial institution, with a floor of 4.00%.

As of December 31, 2012, the outstanding balance of the line of credit was \$-0- and the interest rate was 4.00%.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE P – Significant Concentrations of Credit Risk

The Entity maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to a combined total of \$250,000 per financial institution as of December 31, 2012. The bank balances may, at times, materially exceed federally insured limits. The Entity has not experienced any losses on such accounts. The Entity's uninsured cash balance was \$149,351 as of December 31, 2012.

NOTE Q – RELATED ENTITIES DISCLOSURE

Manchester Emergency Housing, Inc., a FIT-owned 501(c)3, presented the following financials at fiscal year-end, 6/30/12:

ASSETS:

Cash, savings and investments	\$ 6,969
Land and Buildings	\$ 56,836
Total Assets:	<u>\$ 63,805</u>

LIABILITIES:

Current Liabilities	\$ 6,488
Total Equity	\$ 57,317
Total Liabilities & Equity	<u>\$ 63,805</u>

Total Revenues: \$175,342

Total Expenses: \$186,486

Net Loss at 6/30/12: (\$11,144)

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE R – RELATED ENTITIES DISCLOSURE (continued)

The New Hampshire Coalition to End Homelessness a FIT-owned 501(c)3, presented the following financials at fiscal year-end, 6/30/12:

ASSETS:

Cash, savings and investments	\$ 10,774
Other Assets	\$ 2,143
Total Assets:	<u>\$ 12,917</u>

LIABILITIES:

Current Liabilities	\$ 4,726
Total Equity	\$ 8,191
Total Liabilities & Equity	<u>\$ 6,894</u>

Total Revenues:	\$ 6,323
Total Expenses:	<u>\$ 864</u>
Net Income at 6/30/12:	<u>\$ 7,187</u>

NOTE S -- RESTATEMENT OF NET ASSETS

Family OutFITters, LLC is a wholly owned subsidiary of Families in Transition, Inc. During the year ended December 31, 2012, management has decided to omit the unaudited financial information of Family OutFITters, LLC from these consolidated financial statements. As condensed comparative information is included in these consolidated financial statements, net assets have been restated as of January 1, 2011 and 2012 as follows:

	2012	2011
Net assets - January 1 (as previously reported)	\$ 9,727,344	\$ 7,652,722
Amount of restatement due to removal of subsidiary from the consolidated financial statements	(127,430)	(109,867)
Net assets - January 1 as restated	\$ 9,599,914	\$ 7,542,855

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE T – SUBSEQUENT EVENTS

Management has evaluated subsequent events to April 5, 2013 the date that the financial statements are available to be issued and has determined that there are no transactions requiring disclosure.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012

	ASSETS							
	Families In Transition	Millyard Families II	Bicentennial Families Concord	Family Bridge	Family Willows	Housing Benefits	Temporarily Restricted	TOTAL
CURRENT ASSETS								
Cash and cash equivalents	\$ 314,991	\$ 16,737	\$ 4,204	\$ 2,592	\$ 5,162	\$ 58,785	\$ 217,807	\$ 620,278
Accounts receivable	110,349	2,957	124	2,977	1,714	2,415		43,692
Grants receivable	108,980							108,980
Prepaid expenses	16,409	6,458	10,613	10,874	1,095	20,137		65,586
Accrued interest receivable on related party note	601,247							940,581
Reserve cash designated for properties	34,407	164,310	93,806	235,899	124,378	287,781		940,581
Due from related party	162,149					19,221		162,149
Other assets	-	658	3,111	6,162	2,036	32,320		44,277
TOTAL CURRENT ASSETS	<u>1,348,532</u>	<u>191,120</u>	<u>111,858</u>	<u>258,494</u>	<u>134,385</u>	<u>420,659</u>	<u>217,807</u>	<u>1,823,394</u>
NON CURRENT ASSETS								
Related party notes receivable	1,725,799							-
Investments	4,656					25,051		29,707
Investment in related entities	1,196,347							-
Land, buildings and equipment - net	2,364,718	2,944,909	2,369,291	5,153,746	4,329,820	7,593,727		24,756,211
Other assets - financing fees - net	-	15,490	8,457	23,973	36,414	88,059		172,393
TOTAL NON CURRENT ASSETS	<u>5,291,520</u>	<u>2,960,399</u>	<u>2,377,748</u>	<u>5,177,719</u>	<u>4,366,234</u>	<u>7,706,837</u>	<u>(2,922,146)</u>	<u>24,958,311</u>
TOTAL ASSETS	<u>\$ 6,640,052</u>	<u>\$ 3,151,519</u>	<u>\$ 2,489,606</u>	<u>\$ 5,436,213</u>	<u>\$ 4,500,619</u>	<u>\$ 8,127,496</u>	<u>\$ (3,781,607)</u>	<u>\$ 26,781,705</u>
CURRENT LIABILITIES								
Current portion of long-term debt	\$ 46,453	\$ 10,745	\$ 4,939	\$ 9,124	\$ 20,921	\$ 29,114	\$ -	\$ 121,296
Accounts payable	51,433	6,297	4,846	15,014	10,373	42,451		92,898
Accrued expenses	83,937	878						84,815
Funds held as fiscal agent	66,506							66,506
Due to related entity	61,209	61,105	110,073	221,210	205,724	164,600		1,976
Deferred revenue	293	194	684	892	747	858		3,668
Security deposits	8,924	658	3,111	6,153	2,014	7,392		28,252
TOTAL CURRENT LIABILITIES	<u>318,755</u>	<u>79,877</u>	<u>123,653</u>	<u>252,393</u>	<u>239,779</u>	<u>244,415</u>	<u>(859,461)</u>	<u>399,411</u>
NONCURRENT LIABILITIES								
Minority interest		1,159,663	880,910	2,056,171	2,556,032			6,652,776
Long-term debt, less current portion	1,125,178	1,219,715	1,145,127	2,342,759	1,718,772	4,242,153	(1,725,799)	10,067,905
TOTAL LIABILITIES	<u>1,443,933</u>	<u>2,459,255</u>	<u>2,149,690</u>	<u>4,651,323</u>	<u>4,514,583</u>	<u>4,486,568</u>	<u>(2,585,260)</u>	<u>17,120,092</u>
NET ASSETS								
Unrestricted	5,196,119	692,264	339,916	784,890	(13,964)	3,640,928	217,807	9,443,806
Temporarily restricted	-							217,807
TOTAL NET ASSETS	<u>5,196,119</u>	<u>692,264</u>	<u>339,916</u>	<u>784,890</u>	<u>(13,964)</u>	<u>3,640,928</u>	<u>217,807</u>	<u>9,661,613</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,640,052</u>	<u>\$ 3,151,519</u>	<u>\$ 2,489,606</u>	<u>\$ 5,436,213</u>	<u>\$ 4,500,619</u>	<u>\$ 8,127,496</u>	<u>\$ (3,781,607)</u>	<u>\$ 26,781,705</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	Families In Transition Operating	Milliyard Families	Milliyard Families II	Bicentennial Families	Family Bridge	Family Willows	Housing Benefits	Eliminations	Unrestricted Total	Temporarily Restricted	2012 Total	2011 Total
REVENUE AND SUPPORT												
Federal, state and other grant support	\$ 1,435,920	\$ 234,178	\$ 168,475	\$ 142,322	\$ 335,553	\$ 279,250	\$ 117,417	\$ (103,917)	\$ 1,683,498	\$ 280,318	\$ 1,963,816	\$ 3,601,616
Rental income	247,651	92,819					343,557	(19,530)	1,590,097		1,590,097	1,634,635
Thrift store sales												
Public support	114,182								114,182		114,182	157,774
Tax credit revenue	33,600								33,600		33,600	188,101
Special events	158,436								158,436		158,436	119,821
Property management fees	508,296							(508,296)				424,756
Developer fees												443,700
VISTA program revenue	94,931								94,931		94,931	70,503
Unrealized (loss) on investments	1,078								1,078		1,078	(342)
Realized loss on assets		(1,088)		(421)	(2,570)	(1,695)			(5,998)		(5,998)	(2,912)
Interest income	97,133	3			507	70	3	(67,770)	29,946		29,946	1,993
In kind donations	25,585								25,585		25,585	29,693
Other income	206,922	800	3,801	22,167	14,160	11,033	143,621	(60,176)	342,318		342,318	104,766
Contribution from Milliyard 1 LP							445,108	(445,108)				
Net assets released from restrictions	590,099								590,099	(590,099)		
TOTAL REVENUE AND SUPPORT	3,513,733	326,712	172,052	164,058	347,560	288,658	1,049,706	(1,204,797)	4,657,772	(309,781)	4,347,991	6,774,093
EXPENSES												
Program expenses	2,766,465	107,417	316,114	249,734	604,594	428,599	609,631	(759,689)	4,221,855		4,221,855	4,118,752
Distribution to Milliyard 1 LP		445,108						(445,108)				
Fund-raising	426,802								426,802		426,802	272,390
Management and General	296,676								296,676		296,676	669,442
TOTAL EXPENSES	3,489,933	552,525	315,114	249,734	504,594	428,599	609,631	(1,204,797)	4,945,333		4,945,333	5,060,584
CHANGE IN NET ASSETS												
BEFORE MINORITY INTEREST	23,800	(225,813)	(143,062)	(85,676)	(156,944)	(139,941)	440,075		(287,561)	(309,781)	(597,342)	1,713,509
Minority interest		(147,479)	(143,048)	(85,667)	(156,928)	(125,919)	440,075		(659,041)		(659,041)	(343,550)
CHANGE IN NET ASSETS	23,800	(78,334)	(14)	(9)	(16)	(14,022)	440,075		371,480	(309,781)	61,699	2,057,059

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	Families In Transition Operating	Millyard Families	Millyard Families II	Bicentennial Families	Family Bridge	Family Willows	Housing Benefits	Eliminations	Program Total	Fund-Raising	Management and General	2012 Total	2011 Total
EMPLOYEE COMPENSATION													
Wages	\$ 1,266,830								\$ 1,266,830	\$ 256,790	\$ 188,313	\$ 1,711,933	\$ 1,689,901
Temporary labor									138,760	28,127	20,626	187,513	189,278
Employee benefits									107,470	21,785	15,975	145,230	140,681
Payroll taxes									306,702		224,914	2,044,676	2,019,860
TOTAL WAGES AND RELATED EXPENSES	1,513,060								1,513,060				
Advertising	2,398						1,053		3,451	496	357	4,294	5,761
Administrative		6,173	23,785	10,038	52,921		60,775	(108,207)	45,485			45,485	201,589
Amortization			1,304	780	1,961	3,197	6,524		13,766			13,766	
Bank charges											3,072	3,072	2,929
Clothing and participant expenses	56,337								56,337			56,337	49,076
Consultants	8,877								8,877	1,799	1,320	11,996	101,940
Daycare and rental subsidies	142,643								142,643			142,643	181,958
Depreciation	108,467	26,958	94,859	81,368	172,482	119,877	164,717		768,728	21,886	16,123	806,837	714,521
Development expenses										26,431		26,431	8,846
Events													
General													
General insurance	33,215	2,844	31,308	38,923	52,615	40,861	2,636		166,343	6,733	4,937	166,343	221,445
Interest expense	65,299		26,552	13,173	20,882	34,689	9,372	(87,770)	62,759			74,429	44,344
Interest mortgage		19,406	10,370	8,436	38,621	10,345	17,560		102,197			102,197	46,633
Management fees	100,320	20,184		17,016		70,633	36,648	(209,652)	105,738			105,738	101,012
Meals and entertainment	5,187								35,049			35,049	119,119
Membership dues and subscriptions	5,908								5,187	1,052	771	7,010	5,228
Office supplies and expense	40,785								6,908	1,198	878	7,984	6,469
Postage	4,762								40,788	8,268	6,063	55,117	54,349
Printing	13,728								4,762	965	708	6,435	4,136
Professional fees	26,938								13,728	2,783	2,041	18,552	4,605
Related entity expenditures	171,710					7,634	18,765	(171,710)	63,833	5,480	4,004	63,297	41,786
Rent	15,930												
Repairs and maintenance	63,870	7,842	79,595	44,472	87,468	89,795	113,598	(15,930)	300,020	12,306	9,464	322,390	405,894
Staff development and supervision	12,837								12,837	2,602	1,908	17,347	44,046
Subrecipient grants	648								648			648	23,274
Taxes	31,667	8,302					79,898		119,967			119,967	31,943
Technology support	45,170								45,170	9,156	6,714	61,040	72,031
Telephone	35,440	225					1,620		37,185	7,184	5,268	49,637	48,198
Travel and vehicle	24,644								24,644	4,995	3,663	33,302	36,652
Utilities	42,417	14,887	47,341	35,528	76,644	51,668	69,785		338,350			338,350	327,769
VISTA program	164,322								164,322			164,322	70,848
Workers' compensation	30,075								30,075	6,096	4,471	40,642	27,979
In Kind													
TOTAL EXPENSES	\$ 2,766,455	\$ 107,417	\$ 315,114	\$ 249,734	\$ 604,994	\$ 426,599	\$ 809,631	\$ (759,689)	\$ 4,221,855	\$ 426,802	\$ 296,676	\$ 4,945,333	\$ 5,060,584

FAMILIES IN TRANSITION, INC.

STATEMENT OF FINANCIAL POSITION
(Not including subsidiaries)

DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

<u>ASSETS</u>				
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2012 TOTAL</u>	<u>TOTAL</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 314,991	\$ 217,807	\$ 532,798	\$ 1,026,481
Accounts receivable	110,349		110,349	308,404
Grants receivable	108,980		108,980	124,213
Prepaid expenses	16,409		16,409	15,155
Accrued interest receivable on related party note	601,247		601,247	505,357
Reserve cash designated for properties	34,407		34,407	65,219
Due from related party	162,149		162,149	75,206
Other assets			-	1,000
TOTAL CURRENT ASSETS	<u>1,348,532</u>	<u>217,807</u>	<u>1,566,339</u>	<u>2,121,035</u>
NON CURRENT ASSETS				
Related party notes receivable	1,725,799		1,725,799	1,725,799
Investments	4,656		4,656	3,578
Investment in related entities	1,196,347		1,196,347	1,196,347
Land, buildings and equipment - net	2,364,718		2,364,718	2,101,755
TOTAL NON CURRENT ASSETS	<u>5,291,520</u>		<u>5,291,520</u>	<u>5,027,479</u>
TOTAL ASSETS	<u>\$ 6,640,052</u>	<u>\$ 217,807</u>	<u>\$ 6,857,859</u>	<u>\$ 7,148,514</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES				
Current portion of long-term debt	\$ 46,453	\$	\$ 46,453	\$ 40,240
Accounts payable	51,433		51,433	78,173
Accrued expenses	83,937		83,937	149,313
Funds held as fiscal agent	66,506		66,506	74,626
Due to related party	61,209		61,209	78,840
Deferred revenue	293		293	719
Security deposits	8,924		8,924	4,281
TOTAL CURRENT LIABILITIES	<u>318,755</u>		<u>318,755</u>	<u>426,192</u>
NONCURRENT LIABILITIES				
Long-term debt, less current portion	1,125,178		1,125,178	1,022,415
TOTAL LIABILITIES	<u>1,443,933</u>		<u>1,443,933</u>	<u>1,448,607</u>
NET ASSETS				
Unrestricted	5,196,119		5,196,119	5,172,319
Temporarily restricted		217,807	217,807	527,588
TOTAL NET ASSETS	<u>5,196,119</u>	<u>217,807</u>	<u>5,413,926</u>	<u>5,699,907</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,640,052</u>	<u>\$ 217,807</u>	<u>\$ 6,857,859</u>	<u>\$ 7,148,514</u>

FAMILIES IN TRANSITION, INC.

STATEMENT OF ACTIVITIES
(Not including subsidiaries)

For The Year Ended December 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2012 TOTAL</u>	<u>2011 TOTAL</u>
REVENUE AND SUPPORT				
Federal, state and other grant support	\$ 1,435,820	\$ 280,318	\$ 1,716,138	\$ 2,039,900
Rental income	247,651		247,651	249,857
Public support	114,182		114,182	157,774
Tax credit revenue	33,600		33,600	188,100
Special events	158,436		158,436	119,821
Property management fees	508,296		508,296	463,528
Developer fees	-		-	443,700
Program service revenue	94,931		94,931	70,503
Unrealized (loss) gain on investments	1,078		1,078	(342)
(Loss) on asset disposal	-		-	(2,912)
Interest income	97,133		97,133	97,549
In kind donations	25,585		25,585	29,693
Other income	206,922		206,922	126,752
Net assets released from restriction	590,099	(590,099)		
	<u>3,513,733</u>	<u>(309,781)</u>	<u>3,203,952</u>	<u>3,983,923</u>
EXPENSES				
Program expenses	2,766,455		2,766,455	2,452,764
Fund-raising	426,802		426,802	272,390
Management and General	296,676		296,676	669,442
TOTAL EXPENSES	<u>3,489,933</u>		<u>3,489,933</u>	<u>3,394,596</u>
INCREASE (DECREASE) IN NET ASSETS	23,800	(309,781)	(285,981)	589,327
NET ASSETS - BEGINNING OF YEAR	<u>5,172,319</u>	<u>527,588</u>	<u>5,699,907</u>	<u>5,110,580</u>
NET ASSETS - END OF YEAR	<u>\$ 5,196,119</u>	<u>\$ 217,807</u>	<u>\$ 5,413,926</u>	<u>\$ 5,699,907</u>

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



**Families
in Transition**
Providing a Home Building Hope

Mission

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



Board of Directors

Karyn O'Neil, Chair

[REDACTED]

Board member since 2003

Susan Grodman, Vice Chair

[REDACTED]

Board member since 2007

Deborah J. Brann, Treasurer

[REDACTED]

Board member since 2011

Trevor Arp, Secretary

[REDACTED]

Board member since 2008

Sedra Michaelson,

[REDACTED]

Board member since 2003

Joan Reische

[REDACTED]

Board member since 1998

Dick Anagnost

[REDACTED]

Board member since 2007

Judy Bergeron

[REDACTED]

Board member since 2005

Rev. Gayle Murphy

[REDACTED]

Board member since 2008

Theresa Dolloff

[REDACTED]

Board member since 2007

Graham Chynoweth

[REDACTED]

Board member since 2009

David Donohue

[REDACTED]

Eric Demaree

[REDACTED]

Board member since 2012

Stephanie Sledjeski

[REDACTED]

Board member since 2010

Charla Stevens

[REDACTED]

Board member since 2013

Margaret "Missy" Fulton

[REDACTED]

Board member since 2012

As of May 2013

Maureen Ann Beauregard

Professional Experience

November 1991 to Present: Families in Transition, 122 Market Street, Manchester, NH 03101.

1995-Present. President, Families in Transition. Developed a Board of Directors and established Families in Transition as a private nonprofit agency in 1995. Responsible for grant writing, fundraising, facility development, oversight of agency personnel, program development, day to day operations, reporting to state and federal agencies and public relations.

- 2003 to Present: Development and Implementation of 33 units permanent affordable housing in Manchester.
- 2001-2003: Development of Families in Transition – Concord, 16 units of affordable housing with 6 designated for homeless women with a disability and 10 designated for transitional housing for homeless women and their children.
- 2001 to Present: Development of Families in Transition's social entrepreneurship, Family OutFITters thrift store and Employment Training Program.
- 1998 – 2001: Development of Millyard II Transitional Housing Program with 19 apartments and 1 interim unit for 3 families.
- 1995 – 1997: Development of Millyard I Transitional Housing Program with 12 apartments for homeless women with children.
- 1994 – 1995: Development of steering committee to form the Board of Directors for Families in Transition and Families in Transition becomes and independent 501 © (3)

1991- 1994 New Hampshire Community Loan Fund. Program Director. Designed and implemented transitional housing programs for the homeless women with and without children.

- 1993 – 1994: Development and implementation of Community Program providing supportive services to 14 homeless women and their children and assisting them in attaining and maintaining housing.
- 1992 – 1993: Development and implementation of Amherst Street Transitional Housing Program for 9 homeless single women.
- 1991 – 1992: Development and implementation of Spruce Street Transitional Housing Program for 5 homeless women and their children.

November 1989-March 1991: Child Protective Service Worker II for the Division for Children and Youth Services, 30 Maplewood Avenue, Portsmouth, NH. Advocated for abused and neglected children in court, established support network (fostercare, visitation, and counseling) to help in the abuse/neglect recovery process.

November 1988-November 1989: Substance Abuse Counselor for Team Coordinating Agency, Phoenix East, Haverhill, MA. Counseled clients, aided and found resources

(AA/NA meetings, employment, education, and counseling) for residents in halfway house for alcoholic/addicts, age 16-25. Conducted weekly support group.

Education

Bachelor of Science degree from the University of New Hampshire, College of Life Science and Agriculture. Area of study: Family Studies.

Professional Affiliations and Honors

- **1998 to 2004** – Northern New England Housing Investment Fund. Member of Board of Directors.
- **1998 to 2004** – Northern New England Equity Fund. Member Board of Directors and Investment Committee
- **2004:** New Hampshire Business Review, Business Excellence Awards 2004, Maureen Beauregard for Excellence in Non-Profit
- **2004:** The Walter J. Dunfey Awards for Excellence in Management awarded to Families in Transition
- **2003:** YWCA Susan B. Anthony Award, Woman of the Year
- **2003:** New Hampshire Housing Finance Authority Annual Conference: Maureen Beauregard and Families in Transition recognized as Best Practice for Development of Affordable Housing in New Hampshire.
- **2002:** Great Bay Foundation: \$150,000 grant award for the development and implementation of social entrepreneurship, Family OutFITters.
- **2002:** Citizens Bank and WMUR Channel – 9, 2003 Community Champions Award for Homelessness for New Hampshire
- **2001:** Manchester Continuum of Care Narrative submission to the U.S. Dept. of Housing & Urban Development, SuperNOFA: 1 of top 10 narratives in the country.
- **2003 to Present:** YMCA Diversity Committee
- **2003 to Present:** Intown Manchester, Economic Development Committee, Trustee
- **2003:** The Sharing Foundation, Caring for Cambodia's Children Parent Advisory Council
- **2003 to Present:** New Hampshire Interagency Council on Homelessness, member appointed by Governor Benson
- **2002 to Present:** Policy Academy for the Chronically Homeless, member
- **2002 to Present:** Great Bay Foundation, Work Group consisting of 5 leading initiatives, member
- **2001 to Present:** Manchester Task Force on Housing, member appointed by Mayor
- **1999 to Present:** Northern New England Housing Investment Fund, Investment Committee, Trustee
- **1998 to Present:** Manchester Continuum of Care, Chairperson in 1998, 2003, founding member

Stephanie Allain Savard, LICSW

Licensure and Education:

- New Hampshire Licensed Independent Clinical Social Worker, #941, April, 2000 - Present.
- Masters in Social Work, Boston University, 1996.
- Bachelor of Arts – Honors in Psychology, Keene State College, 1992.
- Associate of Science in Chemical Dependency, Keene State College, 1992.
- Boston University Workshop-Based Trauma Certificate Program, 2006.
- Low Income Housing Tax Credit Certified Credit Compliance Professional (C3P), 2000.

Professional Experience:

Vice-President, Families in Transition, Manchester, NH, 1996 – Present.

- Oversight and management of clinical department with 25 staff for a permanent supportive and transitional housing program with capacity to serve 200 homeless individual and families. Oversight of clinical staff and specialized programming including: intensive case management, therapeutic services, intensive outpatient substance use treatment program specializing in co-occurring disorders & innovative therapeutic pre-school and after school program with a strength based and family focused services. Provide clinical and administrative supervision for clinical program managers to ensure quality supportive services to all participants of programs. Oversight of 24 hour emergency services hotline.
- Assume responsibilities and decision-making for agency in the absence of the President. Collaborate with President and management team on daily operations and strategic planning for the agency.
- Families in Transition Board of Directors Programs and Supportive Services Committee Member, primary liaison to Committee chair for agency.
- Extensive experience in therapeutic treatment in individual and group formats, crisis management, emergency hotline coverage, case management, intake and assessments to assist families and individuals presenting with mental health and substance use disorders, trauma histories and homelessness.

Counselor/Family Service Worker, NFI Midway Residential Shelter, Manchester, NH, 1993 – 1996.

- Supervised 15 adolescent males utilizing behavior management and normative culture techniques.
- Supervised all shifts and summer activity program; Conducted family assessments and counseling.

MSW Clinical Intern, CASPAR Emergency Service Center, Cambridge, MA, 1995-1996.

- Provided assessments, individual and group therapy to homeless adults in early recovery from substance use.

MSW Clinical Caseworker Intern, WorkSource of Work, Inc., Quincy, MA, 1994-1995.

- Provided case management, counseling, and crisis intervention to consumers with mental health disabilities.

VISTA Volunteer, Center for Human Services, Seattle, WA, 1992-1993.

- Developed and supervised volunteer program, assisted in agency fundraising and grant writing; designed and marketed public relation materials; assisted in coordinating Board of Directors and chairing Board committees.

Professional Affiliations and Volunteer Experience:

- Appointment to the NH Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention and Treatment by NH Governor Lynch, March 2010 – Present.
- Member of the Governor's Commission on Alcohol and Drug Abuse Treatment Taskforce, 2009 – Present.
- National Association of Social Workers – Member of NH Chapter Board of Directors 2004-2008; Vice-President 2006 – 2008; Executive Council Member at Large 2004-2005.
- Lazarus House Transitional Housing Advisory Council, Lawrence, MA, 2004-2008.
- NH Coalition to End Homelessness Board of Directors, 2000- 002.
- Past Member of the Manchester Homeless Continuum of Care, 2000-2007; Leadership Committee Chair – 2000-2001; Community Awareness Committee Chair, 2003-2004; 2006-2007.

Awards & Professional Memberships:

- Union Leader and Business Industry Association "40 Under 40" Leaders of New Hampshire, 2004.
- NH Homeless Service Providers Award, NH DHHS, Office of Homeless & Housing Services, 2003.

Abbie Marie Weinstein

SUMMARY OF QUALIFICATIONS

A dynamic and passionate self-starter with diversified experience and strong interest in, non-profit and social service organizations, working with underserved populations and crisis intervention services.

PROFESSIONAL EXPERIENCE

Families In Transition, Manchester, NH Aug 2013 – Present
Intake Coordinator

Bridges Domestic and Sexual Violence Support, Nashua, NH 2011-2013
Social service agency.

Crisis Intervention Advocate (2011 - Present)

- ▲ Respond to clients in crisis. Identify problems, explore options, and support clients in making their own decisions. Offer emotional support, assistance, advocacy, referral information, and follow-up as needed.
- ▲ Document all direct service activities. Record client statistical data, including referrals if any, and maintain related agency documentation.
- ▲ Advocate with clients in the courts, police stations, hospitals, and other agencies, as determined by the client involved. Provide limited transportation to clients.
- ▲ Collaborate with other staff to enhance direct service delivery as assigned. Develop and maintain contacts with other human service providers in the greater Nashua Area. Participate in back-rotation on nights and weekends.

Volunteer Coordinator (2011 - 2013)

- ▲ Work with the Direct Service Program Coordinator to enhance the direct service provision of the agency, specifically by coordinating volunteer recruitment, training and retention.
- ▲ Schedule volunteers for shifts on the support line. Organize quarterly volunteer trainings and update training curriculum as needed.
- ▲ Supervise agency volunteers, interns and per diem workers, collaborating with the Direct Service Program Coordinator and Milford Program Coordinator Recruit and interview new volunteers with the Direct Service Program Coordinator.
- ▲ Document all volunteer activities. Maintain and secure all volunteer records. Assist in developing and facilitating team-building exercises, events and meetings for volunteers.

Support Group Facilitator (2011 - 2012)

- ▲ Created a safe, stable environment for group members. Planned and presented weekly educational topics based on member needs. Managed time in the group and keep members on topic.
- ▲ Collected and submitted monthly group attendance data for agency reporting.

AmeriCorps Victim Assistance Program, Bridges, Nashua, NH 2011
National Service Program

Crisis Intervention Advocate

- ▲ Performed this role for 3 months and was subsequently hired as a permanent employee at the agency.

AmeriCorps VISTA, YWCA NH, Manchester, NH 2010-2011
National Service Program

Development Assistant

- ▲ Developing and implementing a comprehensive public relations program to increase the visibility of YWCA programs. Send press releases and public service announcements to media outlets.
- ▲ Centralize and standardize all fliers, brochures and e-blasts for YWCA programs, events and activities.
- ▲ Crisis line volunteer advocate, work closely with advocates and group facilitators to increase attendance at support groups.
- ▲ Increased social media readership and awareness through the creation of a dedicated blog and Twitter feed, in addition to increasing Facebook followers.

Constellation NewEnergy, Boston, MA
A leading U.S. competitive energy supplier.

2007-2009

Administrative Assistant

- ⤴ Worked independently and within a team on both nonrecurring and ongoing projects for all company departments as needed. Handled multiple projects for multiple departments simultaneously.
- ⤴ Assisted marketing team with development and execution of direct mail campaigns and assembly of informational packets for seminars. Created flyers for company sponsored employee events.
- ⤴ Scheduled and coordinated meetings and conferences. Organized travel arrangements and department activities.

Devonshire, Boston, MA
Luxury rental apartments.

2007

Marketing Administrative Assistant

- ⤴ Designed and distributed weekly availability reports via email. Researched and created events flyers for building residents. Created flyers for broker incentive and updated rental listings on various websites.
- ⤴ Handled leasing related inquiries and resident related issues. Scheduled broker tours, prospective resident apartment showings and freight elevator usage. Managed daily calendar and assembled client materials for the director of marketing.

Concord Monitor, Concord, NH
An award-winning daily newspaper.

2005-2007

Advertising Account Executive

- ⤴ Actively pitched and acquired local business advertisers and maintained database of current prospective clients. Managed current client accounts and assured that they continued to advertise.
- ⤴ Worked closely with graphic artists and production team to build successful new ads and ad campaigns for clients. Coordinated exhibits at and attended trade shows. Coordinated direct mailings to inform customers of new and upcoming advertising opportunities.

ADDITIONAL EXPERIENCE

YWCA New Hampshire 2011, **Crisis Line Volunteer Advocate**
HUD Point In Time Count 2011, **Volunteer**
Manchester Kid's Marathon 2010, **Volunteer**
Child Health Services 2010-11, **Family Literacy Program Volunteer**
Three Acre Kitchen 2009-10, **Social Media Coordinator, Design Assistant**
New Hampshire Film Festival 2009 & 2010, **Festival Volunteer**
Volunteer NH 2009, **Graphic Design Volunteer**

EDUCATION and SKILLS

BA in Communications, University of Massachusetts, Amherst, MA
Proficient in Microsoft Office Suite, Publisher and Social Media tools.
Completed 30hrs of crisis line advocate training at the YWCA New Hampshire.
Completed AmeriCorps Victim Assistance Program Training

Katelvn Gagnon

Objective:

To obtain a position within a social service agency and utilize interpersonal skills through working with the community in which they serve.

Education:

Keene State College
229 Main Street
Keene, NH 03435
Bachelor of Arts in Psychology
Graduated May 2011
2007-2011

John Stark Regional High School
618 N. Stark Highway
Weare, NH 03281
High School Diploma
2003-2007

Experience:

Families in Transition
122 Market Street
Manchester, NH 03101
603-641-9441

February 2013- present

Job Title: Housing Advocate

Job description: provide case management services to participants in the FIT housing program.

Supervisor: Carolyn Towne

Child and Family Services
464 Chestnut Street
Manchester, NH 03105
603-518-4000

August 2011-February 2013

Job Title: Parent Aide

Job Description: in home support services for children and families in which a case has been founded as abuse and/or neglect. Models appropriate parenting and supporting safe and healthy interactions. Travel required.

Supervisor: Maria Berube

Greater Manchester Family YMCA
116 Goffstown Back Road
Goffstown, NH 03045
603-497-4663

June 2012-March 2013

Job Title: Sports Coach

Job Description: Teach parent/child soccer, t-ball, and basketball classes for 3-5 year old children.

Supervisor: Katie Duffey

YMCA Camp Halfmoon

May 2008-September 2011

Job Title: Program Director

Job Description: Temporary summer position, supervise six members of the program staff, organize weekly schedule, engage children in program activities, open and close camp.

Supervisor: Katie Duffey

Skills: extensive computer skills, familiar with Microsoft Office, positive attitude, quick learner, open minded and willing to learn new concepts.

First Aid and CPR certified

Volunteer Opportunities

NH Lady Twisters AAU basketball

- Head Coach
- March 2012-present

References

Lynn Gamache

Sue Dodge

Amy Malone

Alyssa Peroni

Objective	To obtain a challenging position in the field of human services that utilizes my education and experience, so that I can contribute to the organization and enhance my professional skills.	
Education	Bachelor of Arts in Psychology University of Hartford, West Hartford, CT; May 2009	Minor in Sociology – Criminal Justice
Honors/ Awards	Summa Cum Laude Dean's List, President's List Psi Chi, National Honor Society in Psychology, member	
Professional Experience	Families in Transition, Manchester, NH Housing Advocate January 2013- Present	
	<ul style="list-style-type: none">• Provide direct case management to participants in the housing program.• Assist participants with maintaining housing and address issues related to homelessness.• Address crises as they occur, including providing backup support for calls to emergency hotline.• Facilitate groups and workshops for participants to attend.	
	Greater Nashua Mental Health Center, Nashua, NH Psychiatric Rehabilitation Specialist November 2010 – January 2013	
	<ul style="list-style-type: none">• Provided support, education, and outreach to a caseload of severely mentally ill adults.• Coordinated community support systems, resources, and services for consumers.• Provided crisis intervention as needed.• Used therapeutic techniques to assist clients with removing barriers and learning skills to improve independent functioning.• Completed ongoing trainings related to mental health, substance use, medications, and client care.	
	Nashua Children's Home, Nashua, NH Assistant Residential Supervisor of the Older Girls Residence June 2009 – November 2010	
	<ul style="list-style-type: none">• Provided supervision and support to employees and up to twelve residents.• Taught independent living and social skills through activities and programming.• Dispensed medications on a daily basis.• Used crisis prevention and intervention techniques as needed.	
Leadership Activities	McKinney Homeless Shelter, Hartford, CT Volunteer September 2009 – December 2007	
	<ul style="list-style-type: none">• Completed 100 hours spending time with residents with mental illness, substance use and disabilities in day program and preparing meals.	
	University of Hartford, West Hartford, CT School of Arts and Sciences, Preceptor September 2007 – December 2007	
	<ul style="list-style-type: none">• Assisted professor with course content, lectures, grading, and student needs.	
	University of Hartford, West Hartford, CT Educational Main Street, Tutor September 2005 – May 2006	
	<ul style="list-style-type: none">• Worked one-on-one and in small groups with elementary school students in the community to improve reading skills.	

Families in Transition

PHP VI

Key Personnel

Name	Title	Salary	% paid from contract	Amt pd this contract
Maureen Beaugard	President	131,329	2%	2,627
Stephanie Savard	Vice President	80,777	35%	28,272
Abbie Weinstein	Intake Coordinator	35,875	45%	16,144
Katelyn Gagnon	Housing Advocate	33,825	45%	15,221
Alyssa Peroni	Housing Advocate	35,875	20%	7,175

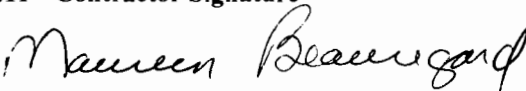
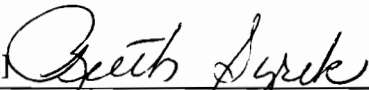
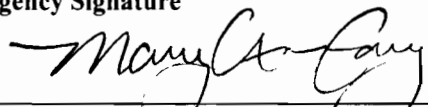
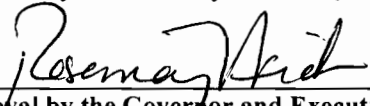
Subject: Continuum of Care Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Families in Transition		1.4 Contractor Address 122 Market Street Manchester, NH 03101	
1.5 Contractor Phone Number (603) 641-9441	1.6 Account Number 010-042-7927-102-0731	1.7 Completion Date October 30, 2015	1.8 Price Limitation \$95,772.00
1.9 Contracting Officer for State Agency Eric D. Borrin		1.10 State Agency Telephone Number (603) 271-9558	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Maureen Beauregard, President	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>3/12/14</u> 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]  RUTH A. SYREK, Notary Public My Commission Expires October 16, 2018			
1.13.2 Name and Title of Notary of Justice of the Peace Ruth Syrek, Admin Asst, Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Mary Ann Cooney Associate Commissioner	
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>3-24-14</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.

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: MAP
Date: 3/12/14

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

Continuum of Care Program

1. **CONDITIONAL NATURE OF AGREEMENT**

1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care Grant. The State has applied for the Continuum of Care Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the Continuum of Care Grant.

2. **SERVICES**

2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, the Contractor shall provide a permanent housing program that shall serve eleven (11) homeless individuals with disabilities.

2.2. The goal of this program is to facilitate the movement of homeless individuals to permanent housing and maximum self-sufficiency.

2.3. To be eligible for contract services, individuals must be homeless as defined in HUD regulations. The Contractor must obtain and retain appropriate documentation.

2.4. The Contractor shall provide these services according to HUD regulations as outlined in Public Law 102-550, 24 CFR Part 578 Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program interim rule, and other written HUD policies and directives.

2.5. Each program participant shall have an employment assessment and employment goals included in the individual service plan, as appropriate.

3. **PROGRAM REPORTING REQUIREMENTS**

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report: Within thirty (30) days after the Completion Date, an Annual Performance Report (APR) shall be submitted to the BHHS that summarizes the results of the Project Activities, showing in particular how the Project Activities have been performed. The Annual Performance Report shall be in the form required or specified by the State.

3.1.2. Other Reports as requested by the State.

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Current NH HMIS policy can be accessed electronically through the following website: <http://www.nh-hmis.org>.



Exhibit A

3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by the BHHS.

4. CONTRACT ADMINISTRATION

4.1. The Contractor shall have appropriate levels of staff attend all meetings or trainings requested by the BHHS. To the extent possible, BHHS shall notify the contractor of the need to attend such meetings five working days in advance of each meeting.

4.2. The Bureau Administrator of BHHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with contractor performance.

4.3. The Contractor shall inform BHHS of any staffing changes.

4.4. Contract records shall be retained for a period of five (5) years following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.

4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and the BHHS.

5. FINANCIAL

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

5.1.1. Operating Expenses

5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.

5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter- and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

5.1.2. Supportive Services

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



Exhibit A

- 5.1.2.2. Eligible costs include mental health services, case management services, salaries of Contractor staff providing supportive services, reasonable one-time moving costs (truck rental and hiring a moving company), child-care costs for establishing and operating child care, and providing child-care vouchers for children from families experiencing homelessness (including providing meals and snacks and comprehensive and coordinated developmental activities), education services, employment assistance and job training skills, housing search and counseling services, legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing), outpatient health services, transportation services, and utility deposits.
- 5.1.2.3. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.

5.1.3. Rental Assistance

- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
- 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
- 5.1.3.3. Long-term rental assistance must be administered by someone other than the Contractor. The Contractor must have a Memorandum of Understanding (MOU), with a State, unit of general local government, or a public housing agency.
- 5.1.3.4. Short or medium term rental assistance provided under the Rapid ReHousing program component is not subject to requirements in 578.51 (b), and is not required to be administered by a state, unit of local government, or public housing agency.
- 5.1.3.5. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
- 5.1.3.6. Rental assistance will only be provided for a unit if the rent is reasonable. The contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.



Exhibit A

- 5.1.3.7. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing Funds only: Property damages may be paid only from funds paid to the landlord from security deposits in an amount not to exceed two months' rent, advance payment of the first month's rent and/or advance payment of the last month's rent.
 - 5.1.3.8. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
 - 5.1.3.9. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
 - 5.1.3.10. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and sub recipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid ReHousing program component must be tenant based rental assistance.
 - 5.1.3.11. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
 - 5.1.3.12. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
 - 5.1.3.13. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative Costs
- 5.1.4.1. Administrative costs include: Preparing program budgets, schedules and amendments, developing systems for assuring compliance with program requirements, developing interagency agreements and agreements with sub recipients and contractors to carry out program activities, preparing reports and other documents related to the program for submission to HUD, evaluating program results against stated objectives, travel costs incurred for official business in carrying out the program, administrative

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Exhibit A

services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services), and other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

- 5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).
 - 5.2.1. The contractor must match all grant funds except for leasing funds, with no less than twenty-five percent of funds or in-kind contributions from other sources.
 - 5.2.2. Match requirements are to be documented with each payment request.
- 5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 4.1. The Contractor must have written approval from the State prior to billing for any other expenses.
- 5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 583.315). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.5. The contractor shall have any staff charged in full or part to this contract or counted as match complete weekly or bi-weekly timesheets.



Exhibit B

METHOD AND CONDITIONS PRECEDENT TO PAYMENT

Continuum of Care Program

The following financial conditions apply to the scope of services as detailed in Exhibit A – Continuum of Care Program.

This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund: Not applicable

Federal Funds:

CFDA #: 14.235

Federal Agency: U.S. Department of Housing & Urban Development

Program Title: Continuum of Care Program

Total Amount Continuum of Care Program;

November 1, 2014 – October 30, 2015: not to exceed \$95,772.00

Funds allocation under this agreement for Continuum of Care Program;

Supportive services: \$21,264.00

Operating Costs: \$72,053.00

Administrative costs: \$2,455.00

Total program amount: \$95,772.00

1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, in an amount not to exceed and for the time period specified above.
2. PROJECT COSTS: PAYMENT SCHEDULE; REVIEW BY THE STATE
 - 2.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in OMB Circular A-87 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of OMB Circular A-122.
 - 2.2. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act),



Exhibit B

Subtitle A-Housing Assistance (Public Law 102-550) in an amount not to exceed as specified above. Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor shall provide additional financial information if requested by the State to verify expenses.

- 2.3. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture pursuant to 24 CFR Subsection 576.55. The funds authorized to be expended under this Agreement shall be used only for operations, supportive services, leasing, rental assistance and administration or reimbursement for expenditures for operations, supportive services, leasing, and rental assistance and administration, provided by the Contractor for the project period and operating years of the Continuum of Care Program as approved by HUD and in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578.

3. USE OF GRANT FUNDS

- 3.1. The State agrees to provide payment for actual costs, up to the not to exceed amount for the Continuum of Care Program as specified in this Exhibit, as defined by HUD under the provisions of P.L. 102-550 and applicable regulations.
- 3.2. The Contractor may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval from the State.
- 3.3. Conformance to OMB Circular A-110: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in OMB Circular A-110.

4. CONTRACTOR FINANCIAL MANAGEMENT SYSTEM

- 4.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
- 4.2. The Contractor shall maintain a financial management system that complies with Attachment G of A-102, "Standards of Contractor Financial Management Systems" or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2 of this Agreement.



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.



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



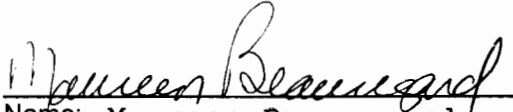
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
 - 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 in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



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

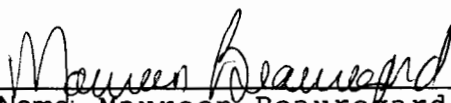
The undersigned certifies, to the best of his or her knowledge and belief, that:

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 in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



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

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

INSTRUCTIONS FOR CERTIFICATION

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



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

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

PRIMARY COVERED TRANSACTIONS

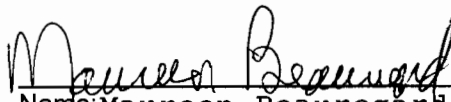
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 -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

LOWER TIER COVERED TRANSACTIONS

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

Contractor Name: Families in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



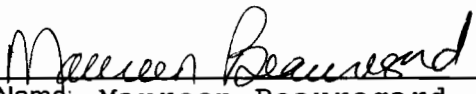
CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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: Families in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



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: Families in Transition

3/12/14
Date


Name: :Maureen Beaufregard
Title: President



HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

Definitions

1. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D, Sec. 13400.
2. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
3. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
4. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
5. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
6. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
7. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
8. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
9. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
10. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
11. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
12. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
13. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
14. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
15. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
16. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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Use and Disclosure of Protected Health Information

1. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. Business Associate may use or disclose PHI:
 - 2.1. For the proper management and administration of the Business Associate;
 - 2.2. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - 2.3. For data aggregation purposes for the health care operations of Covered Entity.
3. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
4. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.
5. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

Obligations and Activities of Business Associate

1. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
2. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec. 13404.
3. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
4. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
5. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

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6. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
7. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
8. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
9. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
10. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
11. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

Obligations of Covered Entity

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

Termination for Cause

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

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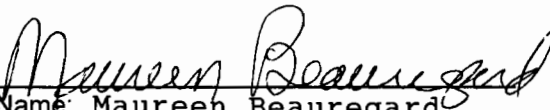
Miscellaneous

1. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
2. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
3. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
4. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
5. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
6. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

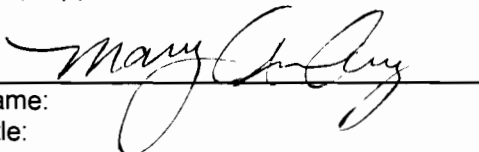
Contractor Name: Families in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President

State Agency Name:
NH DHHS

3/18/14
Date


Name:
Title:

Contractor Initials 



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.

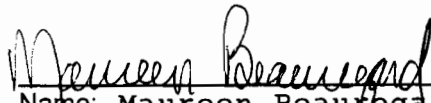
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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: Families in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



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

X NO _____ YES

If the answer to #2 above is 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:

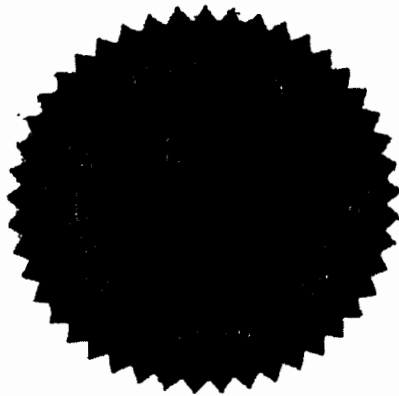
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

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

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FAMILIES IN TRANSITION is a New Hampshire nonprofit corporation formed May 13, 1994. 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 June A.D. 2013

Handwritten signature of William M. Gardner in cursive script.

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Karyn O'Neil, 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 in Transition.
(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 March 12, 2014
(Date)

RESOLVED: That the President
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of
the 12 day of March, 2014.
(Date Contract Signed)

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

of the Agency.

Karyn O'Neil
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 12 day of March, 2014.

By Karyn O'Neil
(Name of Elected Officer of the Agency)

Ruth Syrek
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: _____
RUTH A. SYREK, Notary Public
My Commission Expires October 16, 2018

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



Mission

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

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

MANCHESTER, NEW HAMPSHIRE

**CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2012

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

MANCHESTER, NEW HAMPSHIRE

**CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Families in Transition, Inc. and Subsidiaries
Manchester, New Hampshire

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Families in Transition, Inc. and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2012 and the related consolidated 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 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 these consolidated financial statements based on our audit. We did not audit the financial statements of the individual subsidiaries (Millyard Families II Limited Partnership, Bicentennial Families Concord Limited Partnership, Family Bridge Limited Partnership, Family Willows Limited Partnership, Belmont Street Family Housing, School/Third Street, and Lowell Street) which statements reflect total assets constituting 81.7 percent of consolidated total assets at December 31, 2012, and total revenues constituting 42.2 percent of consolidated total revenues for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these subsidiaries, is based solely on the reports of the other auditors. 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no

such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

We were not engaged to audit the financial statements of Family OutFITters, LLC, a subsidiary of Families in Transition, Inc. Management has decided to omit the financial position of Family OutFITters, LLC as of December 31, 2012 and its statements of activities, functional expenses, and cash flows for the year then ended. Total assets, liabilities, revenues and expenses of this subsidiary as of December 31, 2012 and for the year then ended are \$195,799, \$124,659, \$665,829 and \$722,119, respectively. In our opinion, the inclusion of this subsidiary in the consolidated financial statements is required by accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Families in Transition, Inc. and its subsidiaries as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating financial statements and the financial statements of Families in Transition, Inc. (not including subsidiaries) are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Summarized Comparative Information

The summarized financial information for 2011 has been derived from the Families in Transition, Inc.'s 2011 financial statements, which were audited by a predecessor auditor. An unqualified audit opinion was issued on those financial statements dated March 20, 2012. As part of our audit of the 2012 financial statements, we also audited the adjustments described in Note S that were applied to restate the 2011 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2011 financial statements

of the Entity other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2011 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 April 5, 2013, on our consideration of Families in Transition, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. 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 Families in Transition, Inc.'s internal control over financial reporting and compliance.

Wachon Clukay & Company PC

Manchester, New Hampshire
April 5, 2013

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2012 AND 2011

ASSETS

	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	\$ 620,278	\$ 1,228,115
Accounts receivable	43,692	205,427
Grants receivable	108,980	124,213
Prepaid expenses	65,586	56,455
Reserve cash designated for properties	940,581	966,212
Other assets	44,277	22,493
TOTAL CURRENT ASSETS	1,823,394	2,602,915
NON CURRENT ASSETS		
Investments	29,707	28,629
Land, buildings and equipment - net	24,756,211	24,509,767
Other assets - financing fees	172,393	186,159
TOTAL NON CURRENT ASSETS	24,958,311	24,724,555
TOTAL ASSETS	\$ 26,781,705	\$ 27,327,470
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 121,296	\$ 100,872
Accounts payable	92,898	144,385
Accrued expenses	84,815	160,909
Funds held as fiscal agent	66,506	74,626
Deferred revenue	3,668	5,876
Due to related entity	1,976	3,246
Security deposits	28,252	26,344
TOTAL CURRENT LIABILITIES	399,411	516,258
NONCURRENT LIABILITIES		
Minority Interest	6,652,776	7,311,817
Long-term debt, less current portion	10,067,905	9,899,481
TOTAL LIABILITIES	17,120,092	17,727,556
NET ASSETS		
Unrestricted	9,443,806	9,072,326
Temporarily restricted	217,807	527,588
TOTAL NET ASSETS	9,661,613	9,599,914
TOTAL LIABILITIES AND NET ASSETS	\$ 26,781,705	\$ 27,327,470

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

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2012 TOTAL</u>	<u>2011 TOTAL</u>
REVENUE AND SUPPORT				
Federal, state and other grant support	\$ 1,683,498	\$ 280,318	\$ 1,963,816	\$ 3,601,616
Rental income	1,590,097		1,590,097	1,634,635
Public support	114,182		114,182	157,774
Tax credit contributions	33,600		33,600	188,100
Special events	158,436		158,436	119,821
Property management fees	-		-	424,756
Developer fees	-		-	443,700
VISTA program revenue	94,931		94,931	70,503
Unrealized (loss) gain on investments	1,078		1,078	(342)
Realized (loss) on disposal of assets	(5,998)		(5,998)	(2,912)
Interest income	29,946		29,946	1,993
In kind donations	25,585		25,585	29,693
Other income	342,318		342,318	104,756
Net assets released from restrictions	590,099	(590,099)		
TOTAL REVENUE AND SUPPORT	<u>4,657,772</u>	<u>(309,781)</u>	<u>4,347,991</u>	<u>6,774,093</u>
EXPENSES				
Program expenses	4,221,855		4,221,855	4,118,752
Fund-raising	426,802		426,802	272,390
Management and General	296,676		296,676	669,442
TOTAL EXPENSES	<u>4,945,333</u>		<u>4,945,333</u>	<u>5,060,584</u>
INCREASE (DECREASE) IN NET ASSETS				
BEFORE MINORITY INTERESTS	(287,561)	(309,781)	(597,342)	1,713,509
Add back losses attributed to				
Minority Interests	659,041		659,041	343,550
INCREASE (DECREASE) IN NET ASSETS	<u>371,480</u>	<u>(309,781)</u>	<u>61,699</u>	<u>2,057,059</u>
NET ASSETS - BEGINNING OF YEAR, as restated	<u>9,072,326</u>	<u>527,588</u>	<u>9,599,914</u>	<u>7,542,855</u>
NET ASSETS - END OF YEAR	<u>\$ 9,443,806</u>	<u>\$ 217,807</u>	<u>\$ 9,661,613</u>	<u>\$ 9,599,914</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	<u>PROGRAM ACTIVITIES</u>	<u>FUND- RAISING</u>	<u>MANAGEMENT AND GENERAL</u>	<u>2012 TOTAL</u>	<u>2011 TOTAL</u>
EMPLOYEE COMPENSATION					
Wages	\$ 1,266,830	\$ 256,790	\$ 188,313	\$ 1,711,933	\$ 1,689,901
Temporary labor	-			-	-
Employee benefits	138,760	28,127	20,626	187,513	189,278
Payroll taxes	107,470	21,785	15,975	145,230	140,681
TOTAL WAGES AND RELATED	1,513,060	306,702	224,914	2,044,676	2,019,860
EXPENSES					
Administrative housing expenses	45,485			45,485	201,589
Advertising	3,451	486	357	4,294	5,761
Amortization	13,766			13,766	
Bank charges			3,072	3,072	2,929
Consultants	8,877	1,799	1,320	11,996	101,940
Daycare and rental subsidies	142,643			142,643	183,958
Depreciation	768,728	21,986	16,123	806,837	714,521
Development expenses				-	8,846
Events		26,431		26,431	32,085
General housing expenses	166,343			166,343	221,445
General insurance	62,759	6,733	4,937	74,429	44,344
Interest expense	102,197			102,197	46,633
Interest-Mortgage	105,738			105,738	101,012
Management fees	35,049			35,049	119,119
Meals and entertainment	5,187	1,052	771	7,010	5,228
Membership dues and subscriptions	5,908	1,198	878	7,984	6,469
Office supplies	40,786	8,268	6,063	55,117	54,349
Participant clothing and expenses	56,337			56,337	49,076
Postage	4,762	965	708	6,435	4,136
Printing	13,728	2,783	2,041	18,552	4,606
Professional fees	53,833	5,460	4,004	63,297	41,786
Repairs and maintenance	300,020	12,906	9,464	322,390	405,894
Staff development and supervision	12,837	2,602	1,908	17,347	44,046
Subrecipient grants	648			648	23,274
Taxes - property and BET	119,967			119,967	31,943
Technology support	45,170	9,156	6,714	61,040	72,031
Telephone	37,185	7,184	5,268	49,637	48,198
Travel	24,644	4,995	3,663	33,302	36,652
Utilities	338,350			338,350	327,769
VISTA program	164,322			164,322	70,848
Workers' compensation insurance	30,075	6,096	4,471	40,642	27,979
In kind expense - services	-			-	2,258
TOTAL EXPENSES 2012	\$ 4,221,855	\$ 426,802	\$ 296,676	\$ 4,945,333	
TOTAL EXPENSES 2011	\$ 4,118,752	\$ 272,390	\$ 669,442		\$ 5,060,584

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

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2012</u>	<u>2011</u>
Change in net assets	\$ (597,342)	\$ 1,713,509
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	806,837	714,521
Amortization	13,766	
Forgiveness of debt	(131,267)	(65,634)
Unrealized loss (gain) on investments	(1,078)	342
Loss on asset disposal	5,998	2,912
(Increase) decrease in accounts receivable	161,735	(175,210)
Decrease in grants receivable	15,233	15,334
(Increase) in prepaid expenses	(9,131)	(4,831)
(Increase) decrease in other assets	(21,784)	3,460
Neighborhood Stabilization Grant-Belmont		(1,408,320)
Increase (decrease) in accounts payable	(51,487)	48,751
Increase (decrease) in accrued expenses	(76,094)	53,866
(Decrease) in funds held as fiscal agent	(8,120)	
Increase (decrease) in deferred revenue	(2,208)	298
(Decrease) in due to related party	(1,270)	
Increase in security deposits	1,908	6,692
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>105,696</u>	<u>905,690</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash purchases of property and equipment	(1,059,279)	(2,718,201)
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(1,059,279)</u>	<u>(2,718,201)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowing	490,223	2,685,049
Payments on debt	(170,108)	(379,134)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>320,115</u>	<u>2,305,915</u>
INCREASE (DECREASE) IN CASH	(633,468)	493,404
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,194,327</u>	<u>1,700,923</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,560,859</u>	<u>\$ 2,194,327</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	<u>\$ 207,935</u>	<u>\$ 130,441</u>

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

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

NOTE A - ORGANIZATION

Families in Transition, Inc. (the Entity) was incorporated as a non-stock, non-profit corporation under New Hampshire law on May 13, 1994. The Entity, which began independent operations effective January 1, 1995, provides housing and comprehensive social services to individuals and families who are homeless or at risk of becoming homeless in the Concord and Manchester, New Hampshire area. The Entity receives funding from federal, state and private grants as well as cash and non-cash contributions from the public and from private operations.

The Entity operates housing programs in facilities located on Spruce and Amherst Streets in Manchester, New Hampshire. These programs were formerly run by the New Hampshire Community Loan Fund (NHCLF). Effective January 1, 1995, all leases and contracts related to the programs were assigned to the Entity. Additional housing facilities were opened at 106 and 122 Market Street, Manchester as well as in Bicentennial Square in Concord in 2004, on Second Street in Manchester in 2005, on Douglas Street in 2007 and on South Beech Street in 2008.

In 2008, Families in Transition created a Community Development Housing Organization (CHDO), Housing Benefits, Inc. Housing Benefits, Inc. identifies and develops new housing units and refurbishes existing units to meet the persistent need of combating homelessness. The Entity owns six properties. Two of the buildings, located at School and Third Streets, were acquired in 2009. Two of the locations became operational in 2011 and are located at Lowell Street and Belmont Street. In 2012, the CHDO purchased two additional properties - one at 106 Market St, Manchester, NH, which was already operational and one at 576 Central Ave. in Dover, NH which will become operational in 2013.

In 2012, Families in Transition acquired Manchester Emergency Housing, Inc., a Manchester, NH-based entity that provides emergency shelter for families. The Entity also acquired the New Hampshire Coalition to End Homelessness, a statewide entity, whose mission is to "eliminate the causes of homelessness through research, education and advocacy." As both entities are separate 501(c)3's with fiscal year-ends of June 30, the entities financials are summarized in Note R of the Notes section of the audit.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Families in Transition, Inc. are prepared using the accrual basis of accounting.

Basis of Presentation

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

Temporarily restricted net assets - Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Entity and/or the passage of time. When a restriction expires, net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets are released.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation (continued)

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained in perpetuity and only the income from the funds may be expended. As of December 31, 2012, the Entity had no permanently restricted net assets.

Use of Estimates

The financial statements include estimates and assumptions made by management that affect the carrying amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results may differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Entity considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Contributions

The Entity reports gifts of cash or other assets as restricted contributions when they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (such as when a stipulated time restriction ends), temporarily restricted net assets are released to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Net assets are released from donor restrictions when time restrictions are realized or the intended purposes of the fund are satisfied. Temporarily restricted net assets of \$217,807 at December 31, 2012, represent amounts designated for program services, not yet expended. (See also Note K.)

Donated Property, Equipment and Services

Donations of property and equipment are recorded at fair market value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted their use.

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 Entity reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Entity reclassifies restricted net assets as unrestricted net assets at that time.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Donated Property, Equipment and Services (continued)

A number of volunteers have donated their time to the Entity's program and administrative services. The value of these services is not reflected in the accompanying financial statements since the volunteers' time does not meet criteria for the recognition. An estimate of the value of this donated time is \$627,013.

Property, Plant, Equipment and Depreciation

Property, plant and equipment are recorded at cost or, in the case of donated assets, at fair market value. The Entity's capitalization policy includes recording assets greater than \$1,000. Repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the fixed assets. (See also Note D.)

Functional Expenses

Functional expenses have been allocated between program services and supporting services based on estimated personnel time and space utilized for the related activity.

Income Taxes

The Entity has received a determination letter from the Internal Revenue Service stating that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code for its exempt function income. In addition, the Entity is not subject to state income taxes.

On July 13, 2006, the FASB issued an income tax pronouncement, which fundamentally changes the way that the Entity will be required to treat its uncertain tax positions for financial accounting purposes. It prescribes rules regarding how the Entity should recognize, measure and disclose in its financial statements tax positions that were taken or will be taken on the Entity's tax return that are reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in an increase in a liability for income taxes payable, or a reduction in a deferred tax asset or an increase in a deferred tax liability. On January 1, 2009, the Entity adopted this pronouncement. At the adoption date, the Entity did not have any unrecognized tax benefits and determined the impact of this interpretation was not material to the Entity's financial statements. During the year ending December 31, 2012, no new additional unrecognized tax benefits were identified. As of December 31, 2012, the tax years ending December 31, 2011, 2010, and 2009 are open for possible tax examination.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Taxes (continued)

The Entity does not expect that the amounts of unrecognized tax transactions will change significantly within the next twelve months.

Principles of Consolidation

At December 31, 2012, the Entity owned 79% of Brick Mill House Families, Inc. ("Brick Mill"), 100% of Brick Mill House Families II, Inc. ("Brick Mill II), 21% of Tricorner Corporation ("Tricorner"), 100% of Bicentennial Family Concord, 100% of Family Mill, Inc., and 100% of Big Shady Tree, Inc., all of which are New Hampshire corporations. The Entity also owns 100% of Family OutFITters, LLC, a limited liability corporation. Through complete management control, Families in Transition, Inc. also has indirect ownership in Millyard Families II Limited Partnership ("Millyard II"), Bicentennial Families Concord Limited Partnership, Family Bridge Limited (Family Mill), and Family Willows Limited Partnership, all of which are New Hampshire Limited Partnerships, whereby Brick Mill II is a sole .01% general partner, Bicentennial Family Concord is a sole .01% general partner, Family Mill is a .01% general partner and Family Willows is a .01% general partner. The financial statements include the accounts of Families in Transition, Inc. and the investments in Brick Mill and Brick Mill II, Tricorner, Bicentennial Family Concord, Family Mill, Family Willows and Family OutFITters on the cost basis of accounting.

The Partnerships are considered variable interest entities and are consolidated in the financial statements of Families in Transition, Inc. as required by (EITF) 04-5.

In October, 2002, the subsidiary entity, Family OutFITters, LLC was created with Families in Transition as its sole member. Family OutFITters, LLC operates as an independent thrift store with the sole purpose of being an alternate funding stream for Families in Transition. In 2012, Family OutFITters operated a thrift store in Manchester, NH and a boutique in Concord, NH. As the financial statements of Family OutFITters, LLC, were not audited for fiscal year ending December 31, 2012 and December 31, 2011, management has decided to omit the financial position of Family OutFITters, LLC as of December 31, 2012 and December 31, 2011 and its statements of activities, functional expenses, and cash flows from these consolidated financial statements.

In 2011, Families in Transition purchased a property at 20 South Main Street, Concord, NH. This property serves as the new location for the Family Outfitters Concord boutique and also includes tenant-leased office space and two apartments.

Housing Benefits, Inc., incorporated in 2008 as a non-stock, non-profit corporation under New Hampshire law, currently serves as the property acquisition and renovation arm of Families in Transition. The corporation identifies and develops new housing units and refurbishes existing units to meet the persistent need of combating homelessness.

The partnership of Millyard Families Limited Partnership (Millyard I LP) dissolved on August 15, 2012. For this reason, activity shown is partial year. This dissolution was granted at the request of the limited partner to exit the partnership and to dispose of the property. The newly formed entity, Millyard I, was then acquired by Housing Benefits, Inc.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE C – INVESTMENT IN RELATED ENTITIES

Investment in related entities is comprised of the following:

Brick Mill House Families, Inc.	79%	\$ 65,275
Brick Mill House Families II, Inc.	100%	0
Tricorner	21%	1,000
Family OutFITters, LLC	100%	1,000
Bicentennial Family Concord, Inc.	100%	340,000
Second Street Family Mill, Inc.	100%	788,972
Big Shady Tree, Inc.	100%	<u>100</u>
		<u>\$ 1,196,347</u>

The Entity's 100% interest in Brick Mill House Families II, Inc. is carried at no value in the financial statements because management does not believe that future benefits will exceed future expenditures relating to the entity. (See Note B regarding principles of consolidation). Investments in related entities are eliminated in the consolidated financial statements.

NOTE D – PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION

	<u>Useful Lives</u>	<u>Families</u>	<u>Properties</u>	<u>2012 Total</u>	<u>2011 Total</u>
Furniture and fixtures	5 years	\$203,072	\$184,189	\$ 387,261	\$ 379,121
Equipment	5 years	277,665	131,917	409,582	363,128
Vehicles	5 years	178,444	-0-	178,444	128,559
Land			2,707,082	2,707,082	2,705,697
Buildings and improvements	30 years	<u>2,502,470</u>	<u>23,218,124</u>	<u>25,720,594</u>	<u>25,323,620</u>
Total		3,161,651	26,241,312	29,402,963	28,900,125
Less accumulated depreciation		<u>(796,933)</u>	<u>(3,849,819)</u>	<u>(4,646,752)</u>	<u>(4,390,358)</u>
Book value, net		<u>\$2,364,718</u>	<u>\$22,391,493</u>	<u>\$24,756,211</u>	<u>\$24,509,767</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE E- RELATED PARTY NOTES RECEIVABLE

Long-term receivables consist of notes due from related parties; Millyard Families I, Bicentennial Families Concord Limited Partnership, Family Bridge Limited Partnership and Family Willows Limited Partnership. These notes are eliminated in consolidation:

A mortgage receivable of \$400,000, secured by real property. The note bears simple interest at 7.03% per annum, maturing in May 2026. Interest only payments are to be paid monthly to the extent of fifty (50%) percent of net positive cash flow on Millyard I financials. Accrued interest receivable at December 31, 2012 was \$161,899.	\$ 400,000
An unsecured, promissory note of \$400,799, due from Family Bridge LP. The note bears simple interest at 5.21% per annum, maturing in August 2034. No interest was paid in 2012. Accrued interest receivable at December 31, 2012 was \$123,551.	400,799
A promissory note of \$400,000, secured by real estate, due from Family Willows Limited partnership. The note bears interest at 5.21%. Payment of principal and interest is deferred until June 29, 2036. Accrued interest at December 31, 2012, was \$139,869.	400,000
A mortgage receivable of \$275,000, secured by real property, due from Bicentennial Concord. The note bears simple interest at 4.79% per annum, maturing in May 2033. Payments are applied first to interest due and then to principal. The balance of principal due shall be paid in 2033. No interest payments were received in 2012. Accrued interest receivable at December 31, 2012, was \$110,073.	275,000
A promissory note of 250,000, secured by real estate, due from Family Willows Limited Partnership. The note bears interest at 5.15%. Payment of principal and interest is deferred until June 29, 2037. Accrued interest at December 31, 2012, was \$65,855.	<u>250,000</u>
Total long-term portion	<u><u>\$ 1,725,799</u></u>

The following is a summary of maturities due on long term receivables as of December 31, 2012:

<u>Year Ended</u> <u>December 31</u>	<u>Amount</u>
2013	\$ 0
2014	0
2015	0
2016	0
2017	0
Thereafter	<u>1,725,799</u>
Total	<u><u>\$1,725,799</u></u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT

Long term debt consists of the following:

A mortgage loan payable to New Hampshire Housing Finance Authority in monthly payments of \$680, including interest at 1% and an escrow of \$289. The note is secured by real estate located on Amherst Street, Manchester, NH. The loan is due and payable in full in January, 2033.	\$ 74,376
A note payable to New Hampshire Housing Finance Authority. The note is non-interest bearing and is secured by real estate located on Amherst St. The loan is due and payable upon sale or refinancing of the property or in June 2042.	123,249
A mortgage loan payable to St. Mary's Bank in monthly payments of \$989.50, including interest at 6.25%. The note is secured by real estate on Spruce Street, Manchester, NH and is due and payable in full in February, 2019.	139,741
3 vehicle loans payable to a dealership in monthly payments of \$206 per loan at 6.99% annual interest rate. The loans are due and payable in July, 2013.	4,280
A vehicle loan on an activity bus payable to New Hampshire Health and Education Facilities Authority in monthly payments of \$524.78 at 1% annual interest rate. The loan is due and payable in February, 2017.	25,689
A mortgage note, secured by real estate at Beech Street payable to TD Bank, N.A. in monthly payments of \$1,359, including interest at 7.1% and principal. The loan is due and payable in full in November, 2023.	117,608
A mortgage note, secured by real estate on Douglas St., payable to RBS Citizens Bank in monthly payments of \$2,126, including interest at 4.93% and principal. The loan is due and payable in full in April, 2024.	264,855
Note payable to the City of Manchester, NH, payable in annual installments of \$1,977 at 0% interest. The loan is due and payable in full in October, 2014.	3,955
A mortgage note payable from Bicentennial Families Concord Limited Partnership, to the New Hampshire Housing Finance Authority, secured by real estate and personal property. Monthly payments of \$1,095 include interest at 4.75% per annum until the principal and interest are fully paid with the final installment due and payable on May 1, 2034.	175,021
A promissory note payable from Bicentennial Families Concord Limited Partnership to the New Hampshire Housing Finance Authority. The note is non-interest bearing and is secured by real estate and various financing instruments. The loan is due and payable in May 2034.	102,325

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT (CONTINUED)

<p>A promissory note from Bicentennial Families Concord Limited Partnership to the New Hampshire Housing Finance Authority. The note is non-interest bearing and is secured by real estate and various financing instruments. The loan is due and payable in May 2033.</p>	<p>337,720</p>
<p>A promissory note payable from Bicentennial Families Concord Limited Partnership to Merrimack County. The note is non-interest bearing and is secured by real estate and various financing instruments. All unpaid amounts are due and payable in full May 27, 2033.</p>	<p>260,000</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the New Hampshire Housing Finance Authority. The note is secured by real estate and various financing instruments. The loan is due and payable upon sale or refinancing of the property or in May 2031. This loan is non-recourse.</p>	<p>462,309</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the New Hampshire Housing Finance Authority. The note is secured by real estate and personal property. Monthly payments of \$1,729 include principal and interest at 3.5% per annum. The final installment is due and payable on September 1, 2032.</p>	<p>290,630</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the City of Manchester, secured by the real estate and various financing instruments. All unpaid amounts are due and payable in full on August 1, 2031. This note is non-recourse.</p>	<p>227,521</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the New Hampshire Community Loan Fund, Inc., secured by real estate. All unpaid amounts are due and payable in full on December 31, 2031. This note is non-recourse.</p>	<p>250,000</p>
<p>A mortgage note payable from Millyard Families I to the City of Manchester Community Improvement Program. The note is non-interest bearing and is due and payable in January 2027.</p>	<p>230,000</p>
<p>A note payable from Millyard Families I to the New Hampshire Community Loan Fund secured by real estate. Monthly payments of \$1,121 include principal and interest at 2% per annum. The final installment is due and payable on June 15, 2022.</p>	<p>116,285</p>
<p>A mortgage note payable from Family Bridge Limited Partnership to New Hampshire Housing Finance Authority secured by real estate and personal property. The note bears no interest and is to be repaid from 50% of available surplus cash annually with all remaining principal due on August 30, 2034.</p>	<p>850,000</p>
<p>A promissory note from Family Bridge Limited Partnership payable to TD Bank, N.A. Monthly payments of \$3,953 include principal and interest at 7.71%. The loan is payable in full in October 27, 2023.</p>	<p>501,084</p>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT (CONTINUED)

A promissory note payable from Family Bridge Limited Partnership to the City of Manchester. The note is non-interest bearing and all outstanding principal is due by October 1, 2034. The note is secured by real estate and is non-recourse.	600,000
A mortgage note payable from Family Willows Limited Partnership to the New Hampshire Housing Finance Authority, secured by real estate and personal property. The note is to be repaid from 50% of available surplus cash annually with all remaining principal due on July 9, 2037.	598,957
A promissory note payable from Family Willows Limited Partnership to the City of Manchester. The note is non-interest bearing and has an annual payment of \$9,091 payable on October 1 each year. All outstanding principal is due by October 2029. The note is secured by real estate and is non-recourse.	154,545
A promissory note payable from Family Willows Limited Partnership to RBS Citizens Bank. Monthly payments of principal and interest (currently at 3.25%) of \$2,207 are due until October 14, 2033 when all outstanding principal and interest must be paid. The note is secured by real estate and is guaranteed by Families in Transition.	336,191
A mortgage note payable from School/Third Street to the New Hampshire Housing Finance Authority, secured by real estate and personal property. Monthly payments of \$2,774, include principal and interest at 8% per annum. The note is due April 1, 2021.	200,540
A mortgage note payable from School/Third Street to New Hampshire Community Loan Fund. The note is non-interest bearing. Monthly payments of \$2,774 will commence in April 2021 and continue until maturity in September, 2039.	617,613
A non-interest bearing mortgage note payable from Belmont Street Family Housing to the New Hampshire Housing Finance Authority, secured by real estate and personal property. The note will be paid annually in amounts equal to 50% of surplus cash and must be paid in full by December, 2040.	433,000
A privately-financed mortgage note secured by property located at South Main Street in Concord, NH. Monthly payments of \$3,158 include principal and interest at 6.25% per annum. The note will be paid in full in September 2031.	417,878
A non-interest bearing mortgage note payable from Lowell Street to the New Hampshire Housing Finance Authority, secured by real estate and personal property. The note will be paid annually in amounts equal to 50% of surplus cash. The loan is due and payable in August, 2040.	78,681
A non-interest bearing mortgage note payable from Lowell Street to the City of Manchester. Annual payments equal to the greater of 25% of new cash flow or \$4,000 commenced in October 2012 and will continue until the maturity date in June 2041.	198,049

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT (CONTINUED)

A non-interest promissory note payable from Lowell Street to the New Hampshire Housing Finance Authority secured by a mortgage and security agreement. The note will be forgiven 1/15th per year over the LIHTC compliance period. A total of \$131,267 in income was recognized during 2012. The loan is due and payable in August, 2040.

1,772,099

A promissory note payable from Dover Housing Project to New Hampshire Housing Finance Authority. The note bears no interest and is secured by a mortgage and security agreement. The note will be paid annually from surplus cash and must be paid in full by June 2028.

225,000

Total long-term debt

\$10,189,201

Less current maturities

121,296

Total long-term debt per Consolidated Statement of Financial Statements

\$10,067,905

Total long-term debt

\$10,189,201

Total related party long-term debt (see Note E)

\$ 1,725,799

Total interorganization long-term debt

\$11,915,000

The aggregate maturities of long term debt are a follows:

<u>Year Ending</u> <u>December 31</u>	<u>Amount</u>
2013	\$ 121,296
2014	122,678
2015	126,734
2016	131,988
2017	134,169
Thereafter	<u>9,552,336</u>
Total	<u>\$10,189,201</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE G – OPERATING LEASES

The Entity rents corporate office space located at 106 Market and 122 Market Streets in Manchester, New Hampshire under tenant-at-will arrangements. The rent payments to Millyard I for 106 Market Street were \$300 per month. The rent payments to Millyard II for 122 Market Street were \$500 per month. Office space is also maintained at the Concord Bicentennial location at a rate of \$527.50 per month. The Entity incurred a total of \$15,930 in rent expense of its office space in 2012.

NOTE H – CONTINGENCIES

The Entity participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amounts, if any, of additional expenses which may be disallowed by the granting agency cannot be determined at this time, although the Entity expects such amounts, if any, to be immaterial.

NOTE I – GRANT REVENUE

The Entity's primary sources of support are fees and grants received from the federal government, the State of New Hampshire, and local foundations. The recognized revenue from grants for the year ended December 31, 2012 was \$1,963,816 (or 45.5% of total revenue). The various grant agreements are awarded on an annual basis or bi-annual basis. Revenue is recognized as earned under the terms of the contract and is received on a cost reimbursement basis. Other support originates as rental income, property management fees, public support and miscellaneous sources.

NOTE J – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Entity's financial instruments, none of which are held for trading purposes, include cash, investments, accounts payable, accounts receivable and notes receivable. The Entity estimates that the fair value of all financial instruments at December 31, 2012, does not materially differ from the aggregated carrying values of its financial instruments recorded in the accompanying statements of financial position.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE K – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following specific services:

The Family Place	\$ 5,018
Research and training	40,000
Lowell Street	12,932
Manchester Emergency Housing	13,700
Scholarships and tutoring	12,595
VISTA program	71,992
Dover Housing Program	20,000
Direct care for clients	16,570
Grant receivable-time restricted	<u>25,000</u>
	<u>\$ 217,807</u>

NOTE L – RETIREMENT PLAN

The Entity has a tax deferred retirement plan which is available to all full-time employees. All employees are eligible to participate and are fully vested with the first contribution. The Entity matches contributions at 100% up to 3% of compensation. In calendar year 2012 the Entity contributed \$33,257 as its employer match expenses. At December 31, 2012, twenty-eight employees were participating in the plan.

NOTE M – HOUSING ACTION NEW HAMPSHIRE

In 2011, Families in Transition entered into a Fiscal Sponsorship Agreement with Housing Action New Hampshire (HANH), an unincorporated association. Authority to manage the programmatic activities of HANH is vested solely in HANH. Families in Transition maintains the books and financial records for HANH in accordance with generally accepted accounting principles. HANH is presented in the Families in Transition financial statements as a "funds held as fiscal agent" liability with the corresponding cash balance.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE N – MINORITY INTEREST

Minority interest, as shown on the Statement of Financial Position, represents investments by Limited Partners in the properties according to the following schedule:

<u>Limited Partner</u>	<u>Property</u>	<u>Minority Interest</u>
Community Capital 2000	Millyard Families II	\$ 1,159,663
NH Housing Equity Fund	Bicentennial Families	440,412
JP Morgan Chase	Bicentennial Families	440,498
BCCC, Inc.	Family Bridge	10
Boston Capital Corporate	Family Bridge	2,056,161
BCCC, Inc	Family Willows	10
Boston Capital Midway	Family Willows	2,556,022
		<u>\$ 6,652,776</u>

NOTE O – Line of Credit

In 2005, the Entity obtained a line of credit of \$100,000 with a financial institution. This line of credit matured on May 31, 2006 has been renewed annually each year since. During the term of agreement, the interest rate on any outstanding principal balance shall be equal to the Base Rate, as defined by the financial institution, with a floor of 4.00%.

As of December 31, 2012, the outstanding balance of the line of credit was \$-0- and the interest rate was 4.00%.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE P – Significant Concentrations of Credit Risk

The Entity maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to a combined total of \$250,000 per financial institution as of December 31, 2012. The bank balances may, at times, materially exceed federally insured limits. The Entity has not experienced any losses on such accounts. The Entity's uninsured cash balance was \$149,351 as of December 31, 2012.

NOTE Q – RELATED ENTITIES DISCLOSURE

Manchester Emergency Housing, Inc., a FIT-owned 501(c)3, presented the following financials at fiscal year-end, 6/30/12:

ASSETS:

Cash, savings and investments	\$ 6,969
Land and Buildings	<u>\$ 56,836</u>
Total Assets:	<u>\$ 63,805</u>

LIABILITIES:

Current Liabilities	\$ 6,488
Total Equity	<u>\$ 57,317</u>
Total Liabilities & Equity	<u>\$ 63,805</u>

Total Revenues:	\$175,342
Total Expenses:	<u>\$186,486</u>
Net Loss at 6/30/12:	(\$11,144)

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE R – RELATED ENTITIES DISCLOSURE (continued)

The New Hampshire Coalition to End Homelessness a FIT-owned 501(c)3, presented the following financials at fiscal year-end, 6/30/12:

ASSETS:

Cash, savings and investments	\$ 10,774
Other Assets	\$ 2,143
Total Assets:	\$ 12,917

LIABILITIES:

Current Liabilities	\$ 4,726
Total Equity	\$ 8,191
Total Liabilities & Equity	\$ 6,894

Total Revenues: \$ 6,323

Total Expenses: \$ 864

Net Income at 6/30/12: \$ 7,187

NOTE S -- RESTATEMENT OF NET ASSETS

Family OutFITters, LLC is a wholly owned subsidiary of Families in Transition, Inc. During the year ended December 31, 2012, management has decided to omit the unaudited financial information of Family OutFITters, LLC from these consolidated financial statements. As condensed comparative information is included in these consolidated financial statements, net assets have been restated as of January 1, 2011 and 2012 as follows:

	2012	2011
Net assets - January 1 (as previously reported)	\$ 9,727,344	\$ 7,652,722
Amount of restatement due to removal of subsidiary from the consolidated financial statements	(127,430)	(109,867)
Net assets - January 1 as restated	\$ 9,599,914	\$ 7,542,855

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE T – SUBSEQUENT EVENTS

Management has evaluated subsequent events to April 5, 2013 the date that the financial statements are available to be issued and has determined that there are no transactions requiring disclosure.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012

	ASSETS							
	Families In Transition Unrestricted	Millyard Families II	Bicentennial Families Concord	Family Bridge	Family Willows	Housing Benefits	Temporarily Restricted	
	\$	\$	\$	\$	\$	\$	\$	TOTAL
CURRENT ASSETS								
Cash and cash equivalents	314,991		4,204	2,592	5,162	58,785	217,807	620,278
Accounts receivable	110,349	2,957	124	2,977	1,714	2,415		43,692
Grants receivable	108,980							108,980
Prepaid expenses	16,409	6,458	10,613	10,874	1,095	20,137		65,586
Accrued interest receivable on related party note	601,247							-
Reserve cash designated for properties	34,407	164,310	93,806	235,899	124,378	287,781		940,581
Due from related party	162,149					19,221		-
Other assets	-	658	3,111	6,152	2,036	32,320		44,277
TOTAL CURRENT ASSETS	1,348,532	191,120	111,858	258,494	134,385	420,659	217,807	1,823,394
NON CURRENT ASSETS								
Related party notes receivable	1,725,799							-
Investments	4,656					25,051		29,707
Investment in related entities	1,196,347							-
Land, buildings and equipment - net	2,364,718	2,944,909	2,369,291	5,153,746	4,329,820	7,593,727		24,756,211
Other assets - financing fees - net	15,490	8,457	23,973	36,414	88,059	88,059		172,393
Other assets - financing fees - net	5,291,520	2,960,399	2,377,748	5,177,719	4,366,234	7,706,837		24,958,311
TOTAL NON CURRENT ASSETS	5,291,520	2,960,399	2,377,748	5,177,719	4,366,234	7,706,837	(2,922,146)	24,958,311
TOTAL ASSETS	\$ 6,640,052	\$ 3,151,519	\$ 2,489,606	\$ 5,436,213	\$ 4,500,619	\$ 8,127,496	\$ 217,807	\$ 26,781,705
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Current portion of long-term debt	46,453	10,745	4,939	9,124	20,921	29,114	-	121,296
Accounts payable	51,433	6,297	4,846	15,014	10,373	42,451		92,898
Accrued expenses	83,937	878						84,815
Funds held as fiscal agent	66,506							66,506
Due to related entity	61,209	61,105	110,073	221,210	205,724	164,600		1,976
Deferred revenue	293	194	684	892	747	858		3,668
Security deposits	8,924	658	3,111	6,153	2,014	7,392		28,252
TOTAL CURRENT LIABILITIES	318,755	79,877	123,653	252,393	239,779	244,415	(859,461)	399,411
NONCURRENT LIABILITIES								
Minority interest		1,159,663	880,910	2,056,171	2,556,032			6,652,776
Long-term debt, less current portion	1,125,178	1,219,715	1,145,127	2,342,759	1,718,772	4,242,153		10,067,905
TOTAL LIABILITIES	1,443,933	2,459,255	2,149,690	4,651,323	4,514,583	4,486,568	(2,585,260)	17,120,092
NET ASSETS								
Unrestricted	5,196,119	692,264	339,916	784,890	(13,964)	3,640,928	217,807	9,443,806
Temporarily restricted								217,807
TOTAL NET ASSETS	5,196,119	692,264	339,916	784,890	(13,964)	3,640,928	217,807	9,661,613
TOTAL LIABILITIES AND NET ASSETS	\$ 6,640,052	\$ 3,151,519	\$ 2,489,606	\$ 5,436,213	\$ 4,500,619	\$ 8,127,496	\$ 217,807	\$ 26,781,705

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012
(With summarized financial information for the year ended December 31, 2011)

	Families In Transition Operating	Millyard Families	Millyard Families II	Bicentennial Families	Family Bridge	Family Willows	Housing Benefits	Eliminations	Unrestricted Total	Temporarily Restricted	2012 Total	2011 Total
REVENUE AND SUPPORT												
Federal, state and other grant support	\$ 1,435,820	\$ 234,178	\$ 168,475	\$ 142,322	\$ 335,553	\$ 279,250	\$ 117,417	\$ (103,917)	\$ 1,683,498	\$ 280,318	\$ 1,963,816	\$ 3,601,616
Rental income	247,651	92,819					343,557	(19,530)	1,590,097		1,590,097	1,634,635
Thrift store sales												
Public support	114,182								114,182		114,182	157,774
Tax credit revenue	33,600								33,600		33,600	188,100
Special events	158,436								158,436		158,436	119,821
Property management fees	508,296							(508,296)				424,756
Developer fees												443,700
VISTA program revenue	94,931								94,931		94,931	70,503
Unrealized (loss) on investments	1,078								1,078		1,078	(342)
Realized loss on assets		(1,088)	(224)	(421)	(2,570)	(1,695)			(5,998)		(5,998)	(2,912)
Interest income	97,133	3			507	70	3	(67,770)	29,946		29,946	1,993
In kind donations	25,585								25,585		25,585	29,693
Other income	206,922	800	3,801	22,157	14,160	11,033	143,621	(60,176)	342,318		342,318	104,756
Contribution from Millyard 1 LP							445,108	(445,108)				
Net assets released from restrictions	590,099								590,099	(590,099)		
TOTAL REVENUE AND SUPPORT	3,513,733	326,712	172,052	164,058	347,650	288,658	1,049,706	(1,204,797)	4,657,772	(309,781)	4,347,991	6,774,093
EXPENSES												
Program expenses	2,766,455	107,417	315,114	249,734	504,594	428,599	609,631	(759,689)	4,221,855		4,221,855	4,118,752
Distribution to Millyard 1 LP		445,108						(445,108)				
Fund-raising	426,802								426,802		426,802	272,390
Management and General	296,676								296,676		296,676	669,442
TOTAL EXPENSES	3,489,933	552,525	315,114	249,734	504,594	428,599	609,631	(1,204,797)	4,945,333		4,945,333	5,060,584
CHANGE IN NET ASSETS												
BEFORE MINORITY INTEREST	23,800	(225,813)	(143,062)	(85,676)	(156,944)	(139,941)	440,075		(287,561)	(309,781)	(597,342)	1,713,509
Minority interest		(147,479)	(143,048)	(85,667)	(156,928)	(125,919)			(659,041)		(659,041)	(343,550)
CHANGE IN NET ASSETS	23,800	(78,334)	(14)	(9)	(16)	(14,022)	440,075		37,148	(309,781)	61,699	2,057,059

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	Families In Transition Operating	Military Families	Military Families II	Bicentennial Families	Family Bridge	Family Willows	Housing Benefits	Eliminations	Program Total	Fund-Raising	Management and General	2012 Total	2011 Total
EMPLOYEE COMPENSATION													
Wages	\$ 1,266,830								\$ 1,266,830	\$ 256,790	\$ 188,313	\$ 1,711,933	\$ 1,689,901
Temporary labor													
Employee benefits	138,760	6,173	23,785	10,038	52,921		1,053		3,451	486	357	4,294	5,761
Payroll taxes	107,470		1,304	780	1,961	3,197	60,775	(108,207)	45,485			45,485	201,569
TOTAL WAGES AND RELATED EXPENSES	1,513,060						6,524		13,766	306,702	224,914	2,044,676	2,019,860
Advertising	2,398								1,513,060				
Administrative									3,451			4,294	5,761
Amortization									45,485			45,485	201,569
Bank charges									13,766			13,766	
Clothing and participant expenses	56,337								56,337		3,072	3,072	2,929
Consultants	8,877								8,877			56,337	49,076
Daycare and rental subsidies	142,643								142,643	1,799	1,320	11,996	101,940
Depreciation	108,467	26,958	94,859	81,368	172,482	119,877	164,717		768,726	21,986	16,123	806,837	183,958
Development expenses													714,521
Events													8,846
General										26,431		26,431	32,085
General insurance	33,215	2,844	31,308	38,923	52,815	40,861	2,636		166,343			166,343	221,445
Interest expense	65,299								82,759	6,733	4,937	74,429	44,344
Interest mortgage		19,406	26,552	13,173	20,882	34,689	9,372	(67,770)	102,197			102,197	46,633
Management fees		20,184	10,370	8,436	38,821	10,345	17,960		105,738			105,738	101,012
Meals and entertainment	100,320								35,049			35,049	119,119
Membership dues and subscriptions	5,187								5,187	1,052	771	7,010	5,228
Office supplies and expense	5,908								5,908	1,198	878	7,984	6,459
Postage	40,786								40,786	8,268	6,063	55,117	54,349
Printing	4,762								4,762	965	708	6,435	4,136
Professional fees	13,728								13,728	2,783	2,041	18,552	4,606
Related entity expenditures	26,938	486				7,634	18,765		53,833	5,460	4,004	63,297	41,786
Rent	171,710							(171,710)					
Repairs and maintenance	15,930												
Staff development and supervision	63,670	7,842	79,595	44,472	87,468	89,795	113,598	(15,930)	300,020	12,906	9,464	322,390	405,894
Subrecipient grants	12,837								12,837	2,602	1,908	17,347	44,046
Taxes	648								648			648	23,274
Technology support	31,667	8,302					79,998		119,967			119,967	31,943
Telephone	45,170								45,170	9,156	6,714	61,040	72,031
Travel and vehicle	35,440	225				1,520			37,185	7,184	5,268	49,637	48,198
Utilities	24,644								24,644	4,995	3,663	33,302	36,652
VISTA program	42,417	14,987	47,341	35,528	76,844	51,688	69,765		338,350			338,350	327,769
Workers' compensation	164,322								164,322			164,322	70,848
In Kind	30,075								30,075	6,096	4,471	40,642	27,979
TOTAL EXPENSES	\$ 2,786,455	\$ 107,417	\$ 315,114	\$ 249,734	\$ 504,584	\$ 428,599	\$ 609,631	\$ (759,689)	\$ 4,221,855	\$ 426,802	\$ 296,676	\$ 4,945,333	\$ 5,060,564

FAMILIES IN TRANSITION, INC.

STATEMENT OF FINANCIAL POSITION
(Not including subsidiaries)

DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

<u>ASSETS</u>				
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2012 TOTAL</u>	<u>TOTAL</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 314,991	\$ 217,807	\$ 532,798	\$ 1,026,481
Accounts receivable	110,349		110,349	308,404
Grants receivable	108,980		108,980	124,213
Prepaid expenses	16,409		16,409	15,155
Accrued interest receivable on related party note	601,247		601,247	505,357
Reserve cash designated for properties	34,407		34,407	65,219
Due from related party	162,149		162,149	75,206
Other assets			-	1,000
TOTAL CURRENT ASSETS	<u>1,348,532</u>	<u>217,807</u>	<u>1,566,339</u>	<u>2,121,035</u>
NON CURRENT ASSETS				
Related party notes receivable	1,725,799		1,725,799	1,725,799
Investments	4,656		4,656	3,578
Investment in related entities	1,196,347		1,196,347	1,196,347
Land, buildings and equipment - net	2,364,718		2,364,718	2,101,755
TOTAL NON CURRENT ASSETS	<u>5,291,520</u>		<u>5,291,520</u>	<u>5,027,479</u>
TOTAL ASSETS	<u>\$ 6,640,052</u>	<u>\$ 217,807</u>	<u>\$ 6,857,859</u>	<u>\$ 7,148,514</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES				
Current portion of long-term debt	\$ 46,453	\$	\$ 46,453	\$ 40,240
Accounts payable	51,433		51,433	78,173
Accrued expenses	83,937		83,937	149,313
Funds held as fiscal agent	66,506		66,506	74,626
Due to related party	61,209		61,209	78,840
Deferred revenue	293		293	719
Security deposits	8,924		8,924	4,281
TOTAL CURRENT LIABILITIES	<u>318,755</u>		<u>318,755</u>	<u>426,192</u>
NONCURRENT LIABILITIES				
Long-term debt, less current portion	1,125,178		1,125,178	1,022,415
TOTAL LIABILITIES	<u>1,443,933</u>		<u>1,443,933</u>	<u>1,448,607</u>
NET ASSETS				
Unrestricted	5,196,119		5,196,119	5,172,319
Temporarily restricted		217,807	217,807	527,588
TOTAL NET ASSETS	<u>5,196,119</u>	<u>217,807</u>	<u>5,413,926</u>	<u>5,699,907</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,640,052</u>	<u>\$ 217,807</u>	<u>\$ 6,857,859</u>	<u>\$ 7,148,514</u>

FAMILIES IN TRANSITION, INC.

STATEMENT OF ACTIVITIES
(Not including subsidiaries)

For The Year Ended December 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2012 TOTAL</u>	<u>2011 TOTAL</u>
REVENUE AND SUPPORT				
Federal, state and other grant support	\$ 1,435,820	\$ 280,318	\$ 1,716,138	\$ 2,039,900
Rental income	247,651		247,651	249,857
Public support	114,182		114,182	157,774
Tax credit revenue	33,600		33,600	188,100
Special events	158,436		158,436	119,821
Property management fees	508,296		508,296	463,528
Developer fees	-		-	443,700
Program service revenue	94,931		94,931	70,503
Unrealized (loss) gain on investments	1,078		1,078	(342)
(Loss) on asset disposal	-		-	(2,912)
Interest income	97,133		97,133	97,549
In kind donations	25,585		25,585	29,693
Other income	206,922		206,922	126,752
Net assets released from restriction	590,099	(590,099)		
	<u>3,513,733</u>	<u>(309,781)</u>	<u>3,203,952</u>	<u>3,983,923</u>
EXPENSES				
Program expenses	2,766,455		2,766,455	2,452,764
Fund-raising	426,802		426,802	272,390
Management and General	296,676		296,676	669,442
TOTAL EXPENSES	<u>3,489,933</u>		<u>3,489,933</u>	<u>3,394,596</u>
INCREASE (DECREASE) IN NET ASSETS	23,800	(309,781)	(285,981)	589,327
NET ASSETS - BEGINNING OF YEAR	<u>5,172,319</u>	<u>527,588</u>	<u>5,699,907</u>	<u>5,110,580</u>
NET ASSETS - END OF YEAR	<u>\$ 5,196,119</u>	<u>\$ 217,807</u>	<u>\$ 5,413,926</u>	<u>\$ 5,699,907</u>

Board of Directors

Karyn O'Neil, Chair

[REDACTED]

Board member since 2003

Deborah J. Brann, Treasurer

[REDACTED]

Board member since 2011

Sedra Michaelson,

[REDACTED]

Board member since 2003

Dick Anagnost

[REDACTED]

Board member since 2007

Rev. Gayle Murphy

[REDACTED]

Board member since 2008

Graham Chynoweth

[REDACTED]

Board member since 2009

Susan Grodman, Vice Chair

[REDACTED]

Board member since 2007

Trevor Arp, Secretary

[REDACTED]

Board member since 2008

Joan Reische

[REDACTED]

Board member since 1998

Judy Bergeron

[REDACTED]

Board member since 2005

Theresa Dolloff

[REDACTED]

Board member since 2007

David Donohue

[REDACTED]

Eric Demaree

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

Board member since 2012

Stephanie Sledjeski

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

Board member since 2010

Charla Stevens

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

Board member since 2013

Margaret "Missy" Fulton

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

Board member since 2012

As of May 2013

Maureen Ann Beauregard

Professional Experience

November 1991 to Present: Families in Transition, 122 Market Street, Manchester, NH 03101.

1995-Present. President, Families in Transition. Developed a Board of Directors and established Families in Transition as a private nonprofit agency in 1995. Responsible for grant writing, fundraising, facility development, oversight of agency personnel, program development, day to day operations, reporting to state and federal agencies and public relations.

- 2003 to Present: Development and Implementation of 33 units permanent affordable housing in Manchester.
- 2001-2003: Development of Families in Transition – Concord, 16 units of affordable housing with 6 designated for homeless women with a disability and 10 designated for transitional housing for homeless women and their children.
- 2001 to Present: Development of Families in Transition’s social entrepreneurship, Family OutFITters thrift store and Employment Training Program.
- 1998 – 2001: Development of Millyard II Transitional Housing Program with 19 apartments and 1 interim unit for 3 families.
- 1995 – 1997: Development of Millyard I Transitional Housing Program with 12 apartments for homeless women with children.
- 1994 – 1995: Development of steering committee to form the Board of Directors for Families in Transition and Families in Transition becomes and independent 501 © (3)

1991- 1994 New Hampshire Community Loan Fund. Program Director. Designed and implemented transitional housing programs for the homeless women with and without children.

- 1993 – 1994: Development and implementation of Community Program providing supportive services to 14 homeless women and their children and assisting them in attaining and maintaining housing.
- 1992 – 1993: Development and implementation of Amherst Street Transitional Housing Program for 9 homeless single women.
- 1991 – 1992: Development and implementation of Spruce Street Transitional Housing Program for 5 homeless women and their children.

November 1989-March 1991: Child Protective Service Worker II for the Division for Children and Youth Services, 30 Maplewood Avenue, Portsmouth, NH. Advocated for abused and neglected children in court, established support network (fostercare, visitation, and counseling) to help in the abuse/neglect recovery process.

November 1988-November 1989: Substance Abuse Counselor for Team Coordinating Agency, Phoenix East, Haverhill, MA. Counseled clients, aided and found resources

(AA/NA meetings, employment, education, and counseling) for residents in halfway house for alcoholic/addicts, age 16-25. Conducted weekly support group.

Education

Bachelor of Science degree from the University of New Hampshire, College of Life Science and Agriculture. Area of study: Family Studies.

Professional Affiliations and Honors

- **1998 to 2004** – Northern New England Housing Investment Fund. Member of Board of Directors.
- **1998 to 2004** – Northern New England Equity Fund. Member Board of Directors and Investment Committee
- **2004:** New Hampshire Business Review, Business Excellence Awards 2004, Maureen Beauregard for Excellence in Non-Profit
- **2004:** The Walter J. Dunfey Awards for Excellence in Management awarded to Families in Transition
- **2003:** YWCA Susan B. Anthony Award, Woman of the Year
- **2003:** New Hampshire Housing Finance Authority Annual Conference: Maureen Beauregard and Families in Transition recognized as Best Practice for Development of Affordable Housing in New Hampshire.
- **2002:** Great Bay Foundation: \$150,000 grant award for the development and implementation of social entrepreneurship, Family OutFITters.
- **2002:** Citizens Bank and WMUR Channel – 9, 2003 Community Champions Award for Homelessness for New Hampshire
- **2001:** Manchester Continuum of Care Narrative submission to the U.S. Dept. of Housing & Urban Development, SuperNOFA: 1 of top 10 narratives in the country.
- **2003 to Present:** YMCA Diversity Committee
- **2003 to Present:** Intown Manchester, Economic Development Committee, Trustee
- **2003:** The Sharing Foundation, Caring for Cambodia's Children Parent Advisory Council
- **2003 to Present:** New Hampshire Interagency Council on Homelessness, member appointed by Governor Benson
- **2002 to Present:** Policy Academy for the Chronically Homeless, member
- **2002 to Present:** Great Bay Foundation, Work Group consisting of 5 leading initiatives, member
- **2001 to Present:** Manchester Task Force on Housing, member appointed by Mayor
- **1999 to Present:** Northern New England Housing Investment Fund, Investment Committee, Trustee
- **1998 to Present:** Manchester Continuum of Care, Chairperson in 1998, 2003, founding member

Stephanie Allain Savard, LICSW

Licensure and Education:

- New Hampshire Licensed Independent Clinical Social Worker, #941, April, 2000.
- Masters in Social Work, Boston University, 1996.
- Bachelor of Arts – Honors in Psychology, Keene State College, 1992.
- Associate of Science in Chemical Dependency, Keene State College, 1992.
- Boston University Workshop-Based Trauma Certificate, 2006.
- Low Income Housing Tax Credit Certified Credit Compliance Professional (C3P), 2000.

Professional Experience:

Vice-President, Families in Transition, Manchester, NH, 1/97 – Present.

- Oversight of clinical department and all supportive services programming within agency, including case management, therapeutic services, employment & training services, youth programming and specialized programming. Oversee and manage treatment and supportive services for a program capacity of 150+ homeless families and individuals to ensure that consistent and quality clinical services are provided. Oversight of 135+ units of affordable housing to ensure quality and safe housing for all tenants.
- Provide administrative and clinical supervision to all licensed clinicians, masters and bachelor level clinician & case managers. Provide oversight to the Property Administration Department, including management of all funding requirements for each property, including Low Income Housing Tax Credits, HOME, Housing and Urban Development, CDBG, etc.
- Assumes responsibilities and decision-making for agency in the absence of the President. Assist President on personnel issues and in oversight of agency and strategic planning.
- Provide therapeutic services to participants of program, including participation in participant team meetings. Co-facilitate support groups on various issues, including self-esteem, co-dependency, Relational/Cultural Theory, trauma and relationships.
- Families in Transition Board of Directors Programs and Supportive Services Committee Member and assist in Board of Director meetings.
- Member of the Manchester Continuum of Care, 10/00 – Present; Community Awareness Committee Chair 2003/2004; 2006 – Present.

Counselor/Family Service Worker, NFI Midway Residential Shelter, Manchester, NH, 1993 – 1996.

- Supervised 15 adolescent males utilizing behavior management and normative culture techniques.

- Supervised all shifts and summer activity program; Conducted family assessments and counseling.

MSW Clinical Intern, CASPAR Emergency Service Center, Cambridge, MA, 1995-1996.

- Provided assessments, individual and group therapy to homeless substance abusers in early recovery.
- Developed a resource manual of services for client referral and assisted in creating a program brochure.

MSW Clinical Caseworker Intern, WorkSource of Work, Inc., Quincy, MA, 1994-1995.

- Provided case management, counseling, and crisis intervention to consumers with psychiatric disabilities in a vocational rehabilitation workshop. Developed and co-facilitated support groups.
- Developed and facilitated a pre-employment program for consumers transitioning into community work.

VISTA Volunteer, Center for Human Services, Seattle, WA, 1992-1993.

- Developed, recruited, and supervised a volunteer program for multiple programs and departments.
- Diversity Committee Member; Assisted in agency fundraising and grant writing; designed and marketed public relation materials; assisted in coordinating Board of Directors and chairing Board committees.

Professional Affiliations and Volunteer Experience:

- Lazarus House Transitional Housing Advisory Council, Lawrence, MA, 2004 - Present.
- Board of Directors of the NH Coalition to End Homelessness, 12/00 - 2002.

Awards & Professional Memberships:

- National Association of Social Workers, Member 1996-Present; NH Chapter Board of Directors, Vice-President 2006 – Present.
- Union Leader and Business Industry Association “40 Under 40” Leaders of New Hampshire, 2004
- NH Homeless Service Providers Award, Office of Homeless and Housing Services, 2003.

Alyssa Peroni

Objective To obtain a challenging position in the field of human services that utilizes my education and experience, so that I can contribute to the organization and enhance my professional skills.

Education Bachelor of Arts in Psychology Minor in Sociology – Criminal Justice
University of Hartford, West Hartford, CT; May 2009

**Honors/
Awards** Summa Cum Laude
Dean's List, President's List
Psi Chi, National Honor Society in Psychology, member

**Professional
Experience**

Families in Transition, Manchester, NH January 2013- Present
Housing Advocate

- Provide direct case management to participants in the housing program.
- Assist participants with maintaining housing and address issues related to homelessness.
- Address crises as they occur, including providing backup support for calls to emergency hotline.
- Facilitate groups and workshops for participants to attend.

Greater Nashua Mental Health Center, Nashua, NH November 2010 – January 2013
Psychiatric Rehabilitation Specialist

- Provided support, education, and outreach to a caseload of severely mentally ill adults.
- Coordinated community support systems, resources, and services for consumers.
- Provided crisis intervention as needed.
- Used therapeutic techniques to assist clients with removing barriers and learning skills to improve independent functioning.
- Completed ongoing trainings related to mental health, substance use, medications, and client care.

Nashua Children's Home, Nashua, NH June 2009 – November 2010

Assistant Residential Supervisor of the Older Girls Residence

- Provided supervision and support to employees and up to twelve residents.
- Taught independent living and social skills through activities and programming.
- Dispensed medications on a daily basis.
- Used crisis prevention and intervention techniques as needed.

**Leadership
Activities**

McKinney Homeless Shelter, Hartford, CT September 2009 – December 2007
Volunteer

- Completed 100 hours spending time with residents with mental illness, substance use and disabilities in day program and preparing meals.

University of Hartford, West Hartford, CT September 2007 – December 2007
School of Arts and Sciences, Preceptor

- Assisted professor with course content, lectures, grading, and student needs.

University of Hartford, West Hartford, CT September 2005 – May 2006
Educational Main Street, Tutor

- Worked one-on-one and in small groups with elementary school students in the community to improve reading skills.

Families in Transition

Dover

Key Personnel

Name	Title	Salary	% paid from contract	Amt pd this contract
Maureen Beauregard	President	131,329	0%	-
Stephanie Savard	Vice President	80,777	0%	-
Alyssa Peroni	Housing Advocate	35,875	60%	21,525

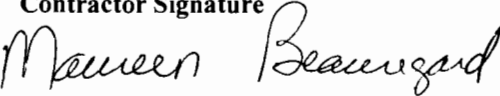
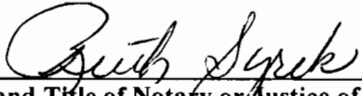
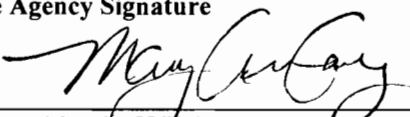
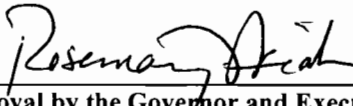
Subject: Continuum of Care Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Families in Transition		1.4 Contractor Address 122 Market Street Manchester, NH 03101	
1.5 Contractor Phone Number (603) 641-9441	1.6 Account Number 010-042-7927-102-0731	1.7 Completion Date September 30, 2015	1.8 Price Limitation \$95,674.00
1.9 Contracting Officer for State Agency Erric D. Borrin		1.10 State Agency Telephone Number (603) 271-9558	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Maureen Beauregard, President	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>3/12/14</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]  RUTH A. SYREK, Notary Public My Commission Expires October 16, 2018			
1.13.2 Name and Title of Notary or Justice of the Peace Ruth Syrek, Admin Asst., Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory MARY ANN COONEY Associate Commissioner	
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>3-24-14</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.

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

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

Continuum of Care Program

1. CONDITIONAL NATURE OF AGREEMENT

1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care Grant. The State has applied for the Continuum of Care Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the Continuum of Care Grant.

2. SERVICES

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, the Contractor shall provide a permanent housing program that shall serve ten (10) homeless individuals with disabilities.
- 2.2. The goal of this program is to facilitate the movement of homeless individuals to permanent housing and maximum self-sufficiency.
- 2.3. To be eligible for contract services, individuals must be homeless as defined in HUD regulations. The Contractor must obtain and retain appropriate documentation.
- 2.4. The Contractor shall provide these services according to HUD regulations as outlined in Public Law 102-550, 24 CFR Part 578 Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program interim rule, and other written HUD policies and directives.
- 2.5. Each program participant shall have an employment assessment and employment goals included in the individual service plan, as appropriate.

3. PROGRAM REPORTING REQUIREMENTS

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report: Within thirty (30) days after the Completion Date, an Annual Performance Report (APR) shall be submitted to the BHHS that summarizes the results of the Project Activities, showing in particular how the Project Activities have been performed. The Annual Performance Report shall be in the form required or specified by the State.

3.1.2. Other Reports as requested by the State.

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Current NH HMIS policy can be accessed electronically through the following website: <http://www.nh-hmis.org>.



Exhibit A

3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by the BHHS.

4. CONTRACT ADMINISTRATION

- 4.1. The Contractor shall have appropriate levels of staff attend all meetings or trainings requested by the BHHS. To the extent possible, BHHS shall notify the contractor of the need to attend such meetings five working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with contractor performance.
- 4.3. The Contractor shall inform BHHS of any staffing changes.
- 4.4. Contract records shall be retained for a period of five (5) years following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and the BHHS.

5. FINANCIAL

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

5.1.1. Operating Expenses

- 5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.
- 5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter- and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

5.1.2. Supportive Services

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



Exhibit A

- 5.1.2.2. Eligible costs include mental health services, case management services, salaries of Contractor staff providing supportive services, reasonable one-time moving costs (truck rental and hiring a moving company), child-care costs for establishing and operating child care, and providing child-care vouchers for children from families experiencing homelessness (including providing meals and snacks and comprehensive and coordinated developmental activities), education services, employment assistance and job training skills, housing search and counseling services, legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing), outpatient health services, transportation services, and utility deposits.
- 5.1.2.3. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.

5.1.3. Rental Assistance

- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
- 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
- 5.1.3.3. Long-term rental assistance must be administered by someone other than the Contractor. The Contractor must have a Memorandum of Understanding (MOU), with a State, unit of general local government, or a public housing agency.
- 5.1.3.4. Short or medium term rental assistance provided under the Rapid ReHousing program component is not subject to requirements in 578.51 (b), and is not required to be administered by a state, unit of local government, or public housing agency.
- 5.1.3.5. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
- 5.1.3.6. Rental assistance will only be provided for a unit if the rent is reasonable. The contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.

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Exhibit A

- 5.1.3.7. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For **Leasing** funds only: Property damages may be paid only from funds paid to the landlord from security deposits in an amount not to exceed two month's rent, advance payment of first month's rent and/or advance payment of last month's rent.
 - 5.1.3.8. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
 - 5.1.3.9. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
 - 5.1.3.10. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and sub recipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid ReHousing program component must be tenant based rental assistance.
 - 5.1.3.11. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
 - 5.1.3.12. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
 - 5.1.3.13. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative Costs
- 5.1.4.1. Administrative costs include: Preparing program budgets, schedules and amendments, developing systems for assuring compliance with program requirements, developing interagency agreements and agreements with sub recipients and contractors to carry out program activities, preparing reports and other documents related to the program for submission to HUD, evaluating program results against stated objectives, travel costs incurred for official business in carrying out the program, administrative

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Exhibit A

services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services), and other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

- 5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).
 - 5.2.1. The contractor must match all grant funds except for leasing funds, with no less than twenty-five percent of funds or in-kind contributions from other sources.
 - 5.2.2. Match requirements are to be documented with each payment request.
- 5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 4.1. The Contractor must have written approval from the State prior to billing for any other expenses.
- 5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 583.315). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.5. The contractor shall have any staff charged in full or part to this contract or counted as match complete weekly or bi-weekly timesheets.



Exhibit B

METHOD AND CONDITIONS PRECEDENT TO PAYMENT

Continuum of Care Program

The following financial conditions apply to the scope of services as detailed in Exhibit A – Continuum of Care Program.

This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund: Not applicable
Federal Funds:
CFDA #: 14.235
Federal Agency: U.S. Department of Housing & Urban Development
Program Title: Continuum of Care Program
Total Amount Continuum of Care Program;
October 1, 2014 – September 30, 2015: not to exceed \$95,674.00
Funds allocation under this agreement for Continuum of Care Program;
Supportive Services: \$15,855.00
Leasing or Rental Assistance: \$77,367.00
Administrative Costs: \$2,452.00
Total program amount: \$95,674.00

1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, in an amount not to exceed and for the time period specified above.
2. PROJECT COSTS: PAYMENT SCHEDULE; REVIEW BY THE STATE
 - 2.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in OMB Circular A-87 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of OMB Circular A-122.
 - 2.2. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the



Exhibit B

Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount not to exceed as specified above. Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor shall provide additional financial information if requested by the State to verify expenses.

- 2.3. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture pursuant to 24 CFR Subsection 576.55. The funds authorized to be expended under this Agreement shall be used only for operations, supportive services, leasing, rental assistance and administration or reimbursement for expenditures for operations, supportive services, leasing, and rental assistance and administration, provided by the Contractor for the project period and operating years of the Continuum of Care Program as approved by HUD and in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578.

3. USE OF GRANT FUNDS

- 3.1. The State agrees to provide payment for actual costs, up to the not to exceed amount for the Continuum of Care Program as specified in this Exhibit, as defined by HUD under the provisions of P.L. 102-550 and applicable regulations.
- 3.2. The Contractor may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval from the State.
- 3.3. Conformance to OMB Circular A-110: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in OMB Circular A-110.

4. CONTRACTOR FINANCIAL MANAGEMENT SYSTEM

- 4.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
- 4.2. The Contractor shall maintain a financial management system that complies with Attachment G of A-102, "Standards of Contractor Financial Management Systems" or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2 of this Agreement.



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.



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 in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



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 in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



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

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

INSTRUCTIONS FOR CERTIFICATION

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



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

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

PRIMARY COVERED TRANSACTIONS

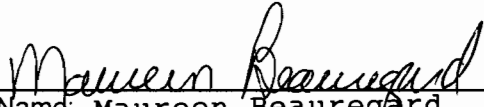
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 -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

3/12/14
Date


Name: Maureen Beauregard
Title: President

Contractor Initials 



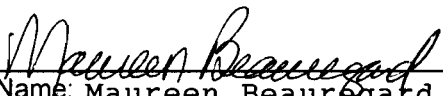
CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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: Families in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



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: Families in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

Definitions

1. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
2. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
3. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
4. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
5. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
6. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
7. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
8. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
9. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
10. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
11. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
12. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
13. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
14. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
15. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
16. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

MAO



Use and Disclosure of Protected Health Information

1. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. Business Associate may use or disclose PHI:
 - 2.1. For the proper management and administration of the Business Associate;
 - 2.2. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - 2.3. For data aggregation purposes for the health care operations of Covered Entity.
3. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
4. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.
5. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

Obligations and Activities of Business Associate

1. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
2. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
3. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
4. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
5. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

MD



6. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
7. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
8. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
9. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
10. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
11. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

Obligations of Covered Entity

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

Termination for Cause

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

MB



Miscellaneous

1. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
2. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
3. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
4. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
5. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
6. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

Contractor Name: Families in Transition

3/12/14
Date

Maureen Beauregard
Name: Maureen Beauregard
Title: President

State Agency Name:
NH-DHHS

3/18/14
Date

Mary Ann Cooney
Name: Mary Ann Cooney
Title: Associate Commissioner



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: Families in Transition

3/12/14
Date


Name: Maureen Beauregard
Title: President



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

X NO _____ YES

If the answer to #2 above is 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:

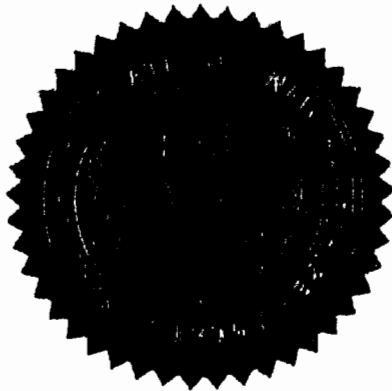
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

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

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FAMILIES IN TRANSITION is a New Hampshire nonprofit corporation formed May 13, 1994. 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 June A.D. 2013

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Karyn O'Neil, 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 in Transition.
(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 March 12, 2014
(Date)

RESOLVED: That the President
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 12 day of March, 2014.
(Date Contract Signed)

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

of the Agency.

Karyn O'Neil
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 12 day of March, 2014.

By Karyn O'Neil
(Name of Elected Officer of the Agency)

Ruth Syrek
(Notary Public, Justice of the Peace)

(NOTARY SEAL)

RUTH A. SYREK, Notary Public
My Commission Expires October 16, 2018

Commission Expires: _____

Families in Transition

122 Market Street

Manchester, NH 03101

Tel. 603-641-9441

Fax. 603-641-1244



**Families
in Transition**

Providing a Home Building Hope

Mission

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

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

MANCHESTER, NEW HAMPSHIRE

**CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2012

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

MANCHESTER, NEW HAMPSHIRE

**CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Families in Transition, Inc. and Subsidiaries
Manchester, New Hampshire

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Families in Transition, Inc. and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2012 and the related consolidated 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 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 these consolidated financial statements based on our audit. We did not audit the financial statements of the individual subsidiaries (Millyard Families II Limited Partnership, Bicentennial Families Concord Limited Partnership, Family Bridge Limited Partnership, Family Willows Limited Partnership, Belmont Street Family Housing, School/Third Street, and Lowell Street) which statements reflect total assets constituting 81.7 percent of consolidated total assets at December 31, 2012, and total revenues constituting 42.2 percent of consolidated total revenues for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these subsidiaries, is based solely on the reports of the other auditors. 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no

such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

We were not engaged to audit the financial statements of Family OutFITters, LLC, a subsidiary of Families in Transition, Inc. Management has decided to omit the financial position of Family OutFITters, LLC as of December 31, 2012 and its statements of activities, functional expenses, and cash flows for the year then ended. Total assets, liabilities, revenues and expenses of this subsidiary as of December 31, 2012 and for the year then ended are \$195,799, \$124,659, \$665,829 and \$722,119, respectively. In our opinion, the inclusion of this subsidiary in the consolidated financial statements is required by accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Families in Transition, Inc. and its subsidiaries as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating financial statements and the financial statements of Families in Transition, Inc. (not including subsidiaries) are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in related to the consolidated financial statements as a whole.

Summarized Comparative Information

The summarized financial information for 2011 has been derived from the Families in Transition, Inc.'s 2011 financial statements, which were audited by a predecessor auditor. An unqualified audit opinion was issued on those financial statements dated March 20, 2012. As part of our audit of the 2012 financial statements, we also audited the adjustments described in Note S that were applied to restate the 2011 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2011 financial statements

of the Entity other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2011 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 April 5, 2013, on our consideration of Families in Transition, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. 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 Families in Transition, Inc.'s internal control over financial reporting and compliance.

Wachon Clukay & Company PC

Manchester, New Hampshire
April 5, 2013

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2012 AND 2011

ASSETS

	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	\$ 620,278	\$ 1,228,115
Accounts receivable	43,692	205,427
Grants receivable	108,980	124,213
Prepaid expenses	65,586	56,455
Reserve cash designated for properties	940,581	966,212
Other assets	44,277	22,493
TOTAL CURRENT ASSETS	1,823,394	2,602,915
NON CURRENT ASSETS		
Investments	29,707	28,629
Land, buildings and equipment - net	24,756,211	24,509,767
Other assets - financing fees	172,393	186,159
TOTAL NON CURRENT ASSETS	24,958,311	24,724,555
TOTAL ASSETS	\$ 26,781,705	\$ 27,327,470

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current portion of long-term debt	\$ 121,296	\$ 100,872
Accounts payable	92,898	144,385
Accrued expenses	84,815	160,909
Funds held as fiscal agent	66,506	74,626
Deferred revenue	3,668	5,876
Due to related entity	1,976	3,246
Security deposits	28,252	26,344
TOTAL CURRENT LIABILITIES	399,411	516,258
NONCURRENT LIABILITIES		
Minority interest	6,652,776	7,311,817
Long-term debt, less current portion	10,067,905	9,899,481
TOTAL LIABILITIES	17,120,092	17,727,556
NET ASSETS		
Unrestricted	9,443,806	9,072,326
Temporarily restricted	217,807	527,588
TOTAL NET ASSETS	9,661,613	9,599,914
TOTAL LIABILITIES AND NET ASSETS	\$ 26,781,705	\$ 27,327,470

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

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2012 TOTAL</u>	<u>2011 TOTAL</u>
REVENUE AND SUPPORT				
Federal, state and other grant support	\$ 1,683,498	\$ 280,318	\$ 1,963,816	\$ 3,601,616
Rental income	1,590,097		1,590,097	1,634,635
Public support	114,182		114,182	157,774
Tax credit contributions	33,600		33,600	188,100
Special events	158,436		158,436	119,821
Property management fees	-		-	424,756
Developer fees	-		-	443,700
VISTA program revenue	94,931		94,931	70,503
Unrealized (loss) gain on investments	1,078		1,078	(342)
Realized (loss) on disposal of assets	(5,998)		(5,998)	(2,912)
Interest income	29,946		29,946	1,993
In kind donations	25,585		25,585	29,693
Other income	342,318		342,318	104,756
Net assets released from restrictions	590,099	(590,099)		
TOTAL REVENUE AND SUPPORT	<u>4,657,772</u>	<u>(309,781)</u>	<u>4,347,991</u>	<u>6,774,093</u>
EXPENSES				
Program expenses	4,221,855		4,221,855	4,118,752
Fund-raising	426,802		426,802	272,390
Management and General	296,676		296,676	669,442
TOTAL EXPENSES	<u>4,945,333</u>		<u>4,945,333</u>	<u>5,060,584</u>
INCREASE (DECREASE) IN NET ASSETS				
BEFORE MINORITY INTERESTS	(287,561)	(309,781)	(597,342)	1,713,509
Add back losses attributed to				
Minority Interests	659,041		659,041	343,550
INCREASE (DECREASE) IN NET ASSETS	<u>371,480</u>	<u>(309,781)</u>	<u>61,699</u>	<u>2,057,059</u>
NET ASSETS - BEGINNING OF YEAR, as restated	<u>9,072,326</u>	<u>527,588</u>	<u>9,599,914</u>	<u>7,542,855</u>
NET ASSETS - END OF YEAR	<u>\$ 9,443,806</u>	<u>\$ 217,807</u>	<u>\$ 9,661,613</u>	<u>\$ 9,599,914</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	<u>PROGRAM ACTIVITIES</u>	<u>FUND- RAISING</u>	<u>MANAGEMENT AND GENERAL</u>	<u>2012 TOTAL</u>	<u>2011 TOTAL</u>
EMPLOYEE COMPENSATION					
Wages	\$ 1,266,830	\$ 256,790	\$ 188,313	\$ 1,711,933	\$ 1,689,901
Temporary labor	-			-	-
Employee benefits	138,760	28,127	20,626	187,513	189,278
Payroll taxes	107,470	21,785	15,975	145,230	140,681
TOTAL WAGES AND RELATED	1,513,060	306,702	224,914	2,044,676	2,019,860
EXPENSES					
Administrative housing expenses	45,485			45,485	201,589
Advertising	3,451	486	357	4,294	5,761
Amortization	13,766			13,766	
Bank charges			3,072	3,072	2,929
Consultants	8,877	1,799	1,320	11,996	101,940
Daycare and rental subsidies	142,643			142,643	183,958
Depreciation	768,728	21,986	16,123	806,837	714,521
Development expenses				-	8,846
Events		26,431		26,431	32,085
General housing expenses	166,343			166,343	221,445
General insurance	62,759	6,733	4,937	74,429	44,344
Interest expense	102,197			102,197	46,633
Interest-Mortgage	105,738			105,738	101,012
Management fees	35,049			35,049	119,119
Meals and entertainment	5,187	1,052	771	7,010	5,228
Membership dues and subscription:	5,908	1,198	878	7,984	6,469
Office supplies	40,786	8,268	6,063	55,117	54,349
Participant clothing and expenses	56,337			56,337	49,076
Postage	4,762	965	708	6,435	4,136
Printing	13,728	2,783	2,041	18,552	4,606
Professional fees	53,833	5,460	4,004	63,297	41,786
Repairs and maintenance	300,020	12,906	9,464	322,390	405,894
Staff development and supervision	12,837	2,602	1,908	17,347	44,046
Subrecipient grants	648			648	23,274
Taxes - property and BET	119,967			119,967	31,943
Technology support	45,170	9,156	6,714	61,040	72,031
Telephone	37,185	7,184	5,268	49,637	48,198
Travel	24,644	4,995	3,663	33,302	36,652
Utilities	338,350			338,350	327,769
VISTA program	164,322			164,322	70,848
Workers' compensation insurance	30,075	6,096	4,471	40,642	27,979
In kind expense - services	-			-	2,258
TOTAL EXPENSES 2012	\$ 4,221,855	\$ 426,802	\$ 296,676	\$ 4,945,333	
TOTAL EXPENSES 2011	\$ 4,118,752	\$ 272,390	\$ 669,442		\$ 5,060,584

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

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

CASH FLOWS FROM OPERATING ACTIVITIES	2012	2011
Change in net assets	\$ (597,342)	\$ 1,713,509
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	806,837	714,521
Amortization	13,766	
Forgiveness of debt	(131,267)	(65,634)
Unrealized loss (gain) on investments	(1,078)	342
Loss on asset disposal	5,998	2,912
(Increase) decrease in accounts receivable	161,735	(175,210)
Decrease in grants receivable	15,233	15,334
(Increase) in prepaid expenses	(9,131)	(4,831)
(Increase) decrease in other assets	(21,784)	3,460
Neighborhood Stabilization Grant-Belmont		(1,408,320)
Increase (decrease) in accounts payable	(51,487)	48,751
Increase (decrease) in accrued expenses	(76,094)	53,866
(Decrease) in funds held as fiscal agent	(8,120)	
Increase (decrease) in deferred revenue	(2,208)	298
(Decrease) in due to related party	(1,270)	
Increase in security deposits	1,908	6,692
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	105,696	905,690
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash purchases of property and equipment	(1,059,279)	(2,718,201)
NET CASH (USED) BY INVESTING ACTIVITIES	(1,059,279)	(2,718,201)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowing	490,223	2,685,049
Payments on debt	(170,108)	(379,134)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	320,115	2,305,915
INCREASE (DECREASE) IN CASH	(633,468)	493,404
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,194,327	1,700,923
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,560,859	\$ 2,194,327
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	\$ 207,935	\$ 130,441

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

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

NOTE A - ORGANIZATION

Families in Transition, Inc. (the Entity) was incorporated as a non-stock, non-profit corporation under New Hampshire law on May 13, 1994. The Entity, which began independent operations effective January 1, 1995, provides housing and comprehensive social services to individuals and families who are homeless or at risk of becoming homeless in the Concord and Manchester, New Hampshire area. The Entity receives funding from federal, state and private grants as well as cash and non-cash contributions from the public and from private operations.

The Entity operates housing programs in facilities located on Spruce and Amherst Streets in Manchester, New Hampshire. These programs were formerly run by the New Hampshire Community Loan Fund (NHCLF). Effective January 1, 1995, all leases and contracts related to the programs were assigned to the Entity. Additional housing facilities were opened at 106 and 122 Market Street, Manchester as well as in Bicentennial Square in Concord in 2004, on Second Street in Manchester in 2005, on Douglas Street in 2007 and on South Beech Street in 2008.

In 2008, Families in Transition created a Community Development Housing Organization (CHDO), Housing Benefits, Inc. Housing Benefits, Inc. identifies and develops new housing units and refurbishes existing units to meet the persistent need of combating homelessness. The Entity owns six properties. Two of the buildings, located at School and Third Streets, were acquired in 2009. Two of the locations became operational in 2011 and are located at Lowell Street and Belmont Street. In 2012, the CHDO purchased two additional properties - one at 106 Market St, Manchester, NH, which was already operational and one at 576 Central Ave. in Dover, NH which will become operational in 2013.

In 2012, Families in Transition acquired Manchester Emergency Housing, Inc., a Manchester, NH-based entity that provides emergency shelter for families. The Entity also acquired the New Hampshire Coalition to End Homelessness, a statewide entity, whose mission is to "eliminate the causes of homelessness through research, education and advocacy." As both entities are separate 501(c)3's with fiscal year-ends of June 30, the entities financials are summarized in Note R of the Notes section of the audit.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Families in Transition, Inc. are prepared using the accrual basis of accounting.

Basis of Presentation

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

Temporarily restricted net assets - Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Entity and/or the passage of time. When a restriction expires, net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets are released.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation (continued)

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained in perpetuity and only the income from the funds may be expended. As of December 31, 2012, the Entity had no permanently restricted net assets.

Use of Estimates

The financial statements include estimates and assumptions made by management that affect the carrying amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results may differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Entity considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Contributions

The Entity reports gifts of cash or other assets as restricted contributions when they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (such as when a stipulated time restriction ends), temporarily restricted net assets are released to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Net assets are released from donor restrictions when time restrictions are realized or the intended purposes of the fund are satisfied. Temporarily restricted net assets of \$217,807 at December 31, 2012, represent amounts designated for program services, not yet expended. (See also Note K.)

Donated Property, Equipment and Services

Donations of property and equipment are recorded at fair market value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted their use.

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 Entity reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Entity reclassifies restricted net assets as unrestricted net assets at that time.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Donated Property, Equipment and Services (continued)

A number of volunteers have donated their time to the Entity's program and administrative services. The value of these services is not reflected in the accompanying financial statements since the volunteers' time does not meet criteria for the recognition. An estimate of the value of this donated time is \$627,013.

Property, Plant, Equipment and Depreciation

Property, plant and equipment are recorded at cost or, in the case of donated assets, at fair market value. The Entity's capitalization policy includes recording assets greater than \$1,000. Repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the fixed assets. (See also Note D.)

Functional Expenses

Functional expenses have been allocated between program services and supporting services based on estimated personnel time and space utilized for the related activity.

Income Taxes

The Entity has received a determination letter from the Internal Revenue Service stating that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code for its exempt function income. In addition, the Entity is not subject to state income taxes.

On July 13, 2006, the FASB issued an income tax pronouncement, which fundamentally changes the way that the Entity will be required to treat its uncertain tax positions for financial accounting purposes. It prescribes rules regarding how the Entity should recognize, measure and disclose in its financial statements tax positions that were taken or will be taken on the Entity's tax return that are reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in an increase in a liability for income taxes payable, or a reduction in a deferred tax asset or an increase in a deferred tax liability. On January 1, 2009, the Entity adopted this pronouncement. At the adoption date, the Entity did not have any unrecognized tax benefits and determined the impact of this interpretation was not material to the Entity's financial statements. During the year ending December 31, 2012, no new additional unrecognized tax benefits were identified. As of December 31, 2012, the tax years ending December 31, 2011, 2010, and 2009 are open for possible tax examination.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Taxes (continued)

The Entity does not expect that the amounts of unrecognized tax transactions will change significantly within the next twelve months.

Principles of Consolidation

At December 31, 2012, the Entity owned 79% of Brick Mill House Families, Inc. ("Brick Mill"), 100% of Brick Mill House Families II, Inc. ("Brick Mill II), 21% of Tricorner Corporation ("Tricorner"), 100% of Bicentennial Family Concord, 100% of Family Mill, Inc., and 100% of Big Shady Tree, Inc., all of which are New Hampshire corporations. The Entity also owns 100% of Family OutFITters, LLC, a limited liability corporation. Through complete management control, Families in Transition, Inc. also has indirect ownership in Millyard Families II Limited Partnership ("Millyard II"), Bicentennial Families Concord Limited Partnership, Family Bridge Limited (Family Mill), and Family Willows Limited Partnership, all of which are New Hampshire Limited Partnerships, whereby Brick Mill II is a sole .01% general partner, Bicentennial Family Concord is a sole .01% general partner, Family Mill is a .01% general partner and Family Willows is a .01% general partner. The financial statements include the accounts of Families In Transition, Inc. and the Investments in Brick Mill and Brick Mill II, Tricorner, Bicentennial Family Concord, Family Mill, Family Willows and Family OutFITters on the cost basis of accounting.

The Partnerships are considered variable interest entities and are consolidated in the financial statements of Families in Transition, Inc. as required by (EITF) 04-5.

In October, 2002, the subsidiary entity, Family OutFITters, LLC was created with Families in Transition as its sole member. Family OutFITters, LLC operates as an independent thrift store with the sole purpose of being an alternate funding stream for Families in Transition. In 2012, Family OutFITters operated a thrift store in Manchester, NH and a boutique in Concord, NH. As the financial statements of Family OutFITters, LLC, were not audited for fiscal year ending December 31, 2012 and December 31, 2011, management has decided to omit the financial position of Family OutFITters, LLC as of December 31, 2012 and December 31, 2011 and its statements of activities, functional expenses, and cash flows from these consolidated financial statements.

In 2011, Families in Transition purchased a property at 20 South Main Street, Concord, NH. This property serves as the new location for the Family Outfitters Concord boutique and also includes tenant-leased office space and two apartments.

Housing Benefits, Inc., incorporated in 2008 as a non-stock, non-profit corporation under New Hampshire law, currently serves as the property acquisition and renovation arm of Families in Transition. The corporation identifies and develops new housing units and refurbishes existing units to meet the persistent need of combating homelessness.

The partnership of Millyard Families Limited Partnership (Millyard I LP) dissolved on August 15, 2012. For this reason, activity shown is partial year. This dissolution was granted at the request of the limited partner to exit the partnership and to dispose of the property. The newly formed entity, Millyard I, was then acquired by Housing Benefits, Inc.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012

NOTE C – INVESTMENT IN RELATED ENTITIES

Investment in related entities is comprised of the following:

Brick Mill House Families, Inc.	79%	\$ 65,275
Brick Mill House Families II, Inc.	100%	0
Tricorner	21%	1,000
Family OutFITters, LLC	100%	1,000
Bicentennial Family Concord, Inc.	100%	340,000
Second Street Family Mill, Inc.	100%	788,972
Big Shady Tree, Inc.	100%	<u>100</u>
		<u>\$ 1,196,347</u>

The Entity's 100% interest in Brick Mill House Families II, Inc. is carried at no value in the financial statements because management does not believe that future benefits will exceed future expenditures relating to the entity. (See Note B regarding principles of consolidation). Investments in related entities are eliminated in the consolidated financial statements.

NOTE D – PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION

	Useful Lives	Families	Properties	2012 Total	2011 Total
Furniture and fixtures	5 years	\$203,072	\$184,189	\$ 387,261	\$ 379,121
Equipment	5 years	277,665	131,917	409,582	363,128
Vehicles	5 years	178,444	-0-	178,444	128,559
Land			2,707,082	2,707,082	2,705,697
Buildings and improvements	30 years	<u>2,502,470</u>	<u>23,218,124</u>	<u>25,720,594</u>	<u>25,323,620</u>
Total		3,161,651	26,241,312	29,402,963	28,900,125
Less accumulated depreciation		<u>(796,933)</u>	<u>(3,849,819)</u>	<u>(4,646,752)</u>	<u>(4,390,358)</u>
Book value, net		<u>\$2,364,718</u>	<u>\$22,391,493</u>	<u>\$24,756,211</u>	<u>\$24,509,767</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE E- RELATED PARTY NOTES RECEIVABLE

Long-term receivables consist of notes due from related parties; Millyard Families I, Bicentennial Families Concord Limited Partnership, Family Bridge Limited Partnership and Family Willows Limited Partnership. These notes are eliminated in consolidation:

A mortgage receivable of \$400,000, secured by real property. The note bears simple interest at 7.03% per annum, maturing in May 2026. Interest only payments are to be paid monthly to the extent of fifty (50%) percent of net positive cash flow on Millyard I financials. Accrued interest receivable at December 31, 2012 was \$161,899.

\$ 400,000

An unsecured, promissory note of \$400,799, due from Family Bridge LP. The note bears simple interest at 5.21% per annum, maturing in August 2034. No interest was paid in 2012. Accrued interest receivable at December 31, 2012 was \$123,551.

400,799

A promissory note of \$400,000, secured by real estate, due from Family Willows Limited partnership. The note bears interest at 5.21%. Payment of principal and interest is deferred until June 29, 2036. Accrued interest at December 31, 2012, was \$139,869.

400,000

A mortgage receivable of \$275,000, secured by real property, due from Bicentennial Concord. The note bears simple interest at 4.79% per annum, maturing in May 2033. Payments are applied first to interest due and then to principal. The balance of principal due shall be paid in 2033. No interest payments were received in 2012. Accrued interest receivable at December 31, 2012, was \$110,073.

275,000

A promissory note of 250,000, secured by real estate, due from Family Willows Limited Partnership. The note bears interest at 5.15%. Payment of principal and interest is deferred until June 29, 2037. Accrued interest at December 31, 2012, was \$65,855.

250,000

Total long-term portion

\$ 1,725,799

The following is a summary of maturities due on long term receivables as of December 31, 2012:

<u>Year Ended</u> <u>December 31</u>	<u>Amount</u>
2013	\$ 0
2014	0
2015	0
2016	0
2017	0
Thereafter	<u>1,725,799</u>
Total	<u>\$1,725,799</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT

Long term debt consists of the following:

A mortgage loan payable to New Hampshire Housing Finance Authority in monthly payments of \$680, including interest at 1% and an escrow of \$289. The note is secured by real estate located on Amherst Street, Manchester, NH. The loan is due and payable in full in January, 2033.	\$ 74,376
A note payable to New Hampshire Housing Finance Authority. The note is non-interest bearing and is secured by real estate located on Amherst St. The loan is due and payable upon sale or refinancing of the property or in June 2042.	123,249
A mortgage loan payable to St. Mary's Bank in monthly payments of \$989.50, including interest at 6.25%. The note is secured by real estate on Spruce Street, Manchester, NH and is due and payable in full in February, 2019.	139,741
3 vehicle loans payable to a dealership in monthly payments of \$206 per loan at 6.99% annual interest rate. The loans are due and payable in July, 2013.	4,280
A vehicle loan on an activity bus payable to New Hampshire Health and Education Facilities Authority in monthly payments of \$524.78 at 1% annual interest rate. The loan is due and payable in February, 2017.	25,689
A mortgage note, secured by real estate at Beech Street payable to TD Bank, N.A. in monthly payments of \$1,359, including interest at 7.1% and principal. The loan is due and payable in full in November, 2023.	117,608
A mortgage note, secured by real estate on Douglas St., payable to RBS Citizens Bank in monthly payments of \$2,126, including interest at 4.93% and principal. The loan is due and payable in full in April, 2024.	264,855
Note payable to the City of Manchester, NH, payable in annual installments of \$1,977 at 0% interest. The loan is due and payable in full in October, 2014.	3,955
A mortgage note payable from Bicentennial Families Concord Limited Partnership, to the New Hampshire Housing Finance Authority, secured by real estate and personal property. Monthly payments of \$1,095 include interest at 4.75% per annum until the principal and interest are fully paid with the final installment due and payable on May 1, 2034.	175,021
A promissory note payable from Bicentennial Families Concord Limited Partnership to the New Hampshire Housing Finance Authority. The note is non-interest bearing and is secured by real estate and various financing instruments. The loan is due and payable in May 2034.	102,325

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT (CONTINUED)

<p>A promissory note from Bicentennial Families Concord Limited Partnership to the New Hampshire Housing Finance Authority. The note is non-interest bearing and is secured by real estate and various financing instruments. The loan is due and payable in May 2033.</p>	<p>337,720</p>
<p>A promissory note payable from Bicentennial Families Concord Limited Partnership to Merrimack County. The note is non-interest bearing and is secured by real estate and various financing instruments. All unpaid amounts are due and payable in full May 27, 2033.</p>	<p>260,000</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the New Hampshire Housing Finance Authority. The note is secured by real estate and various financing instruments. The loan is due and payable upon sale or refinancing of the property or in May 2031. This loan is non-recourse.</p>	<p>462,309</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the New Hampshire Housing Finance Authority. The note is secured by real estate and personal property. Monthly payments of \$1,729 include principal and interest at 3.5% per annum. The final installment is due and payable on September 1, 2032.</p>	<p>290,630</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the City of Manchester, secured by the real estate and various financing instruments. All unpaid amounts are due and payable in full on August 1, 2031. This note is non-recourse.</p>	<p>227,521</p>
<p>A mortgage note payable from Millyard Families II Limited Partnership to the New Hampshire Community Loan Fund, Inc., secured by real estate. All unpaid amounts are due and payable in full on December 31, 2031. This note is non-recourse.</p>	<p>250,000</p>
<p>A mortgage note payable from Millyard Families I to the City of Manchester Community Improvement Program. The note is non-interest bearing and is due and payable in January 2027.</p>	<p>230,000</p>
<p>A note payable from Millyard Families I to the New Hampshire Community Loan Fund secured by real estate. Monthly payments of \$1,121 include principal and interest at 2% per annum. The final installment is due and payable on June 15, 2022.</p>	<p>116,285</p>
<p>A mortgage note payable from Family Bridge Limited Partnership to New Hampshire Housing Finance Authority secured by real estate and personal property. The note bears no interest and is to be repaid from 50% of available surplus cash annually with all remaining principal due on August 30, 2034.</p>	<p>850,000</p>
<p>A promissory note from Family Bridge Limited Partnership payable to TD Bank, N.A. Monthly payments of \$3,953 include principal and interest at 7.71%. The loan is payable in full in October 27, 2023.</p>	<p>501,084</p>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT (CONTINUED)

<p>A promissory note payable from Family Bridge Limited Partnership to the City of Manchester. The note is non-interest bearing and all outstanding principal is due by October 1, 2034. The note is secured by real estate and is non-recourse.</p>	<p>600,000</p>
<p>A mortgage note payable from Family Willows Limited Partnership to the New Hampshire Housing Finance Authority, secured by real estate and personal property. The note is to be repaid from 50% of available surplus cash annually with all remaining principal due on July 9, 2037.</p>	<p>598,957</p>
<p>A promissory note payable from Family Willows Limited Partnership to the City of Manchester. The note is non-interest bearing and has an annual payment of \$9,091 payable on October 1 each year. All outstanding principal is due by October 2029. The note is secured by real estate and is non-recourse.</p>	<p>154,545</p>
<p>A promissory note payable from Family Willows Limited Partnership to RBS Citizens Bank. Monthly payments of principal and interest (currently at 3.25%) of \$2,207 are due until October 14, 2033 when all outstanding principal and interest must be paid. The note is secured by real estate and is guaranteed by Families in Transition.</p>	<p>336,191</p>
<p>A mortgage note payable from School/Third Street to the New Hampshire Housing Finance Authority, secured by real estate and personal property. Monthly payments of \$2,774, include principal and interest at 8% per annum. The note is due April 1, 2021.</p>	<p>200,540</p>
<p>A mortgage note payable from School/Third Street to New Hampshire Community Loan Fund. The note is non-interest bearing. Monthly payments of \$2,774 will commence in April 2021 and continue until maturity in September, 2039.</p>	<p>617,613</p>
<p>A non-interest bearing mortgage note payable from Belmont Street Family Housing to the New Hampshire Housing Finance Authority, secured by real estate and personal property. The note will be paid annually in amounts equal to 50% of surplus cash and must be paid in full by December, 2040.</p>	<p>433,000</p>
<p>A privately-financed mortgage note secured by property located at South Main Street in Concord, NH. Monthly payments of \$3,158 include principal and interest at 6.25% per annum. The note will be paid in full in September 2031.</p>	<p>417,878</p>
<p>A non-interest bearing mortgage note payable from Lowell Street to the New Hampshire Housing Finance Authority, secured by real estate and personal property. The note will be paid annually in amounts equal to 50% of surplus cash. The loan is due and payable in August, 2040.</p>	<p>78,681</p>
<p>A non-interest bearing mortgage note payable from Lowell Street to the City of Manchester. Annual payments equal to the greater of 25% of new cash flow or \$4,000 commenced in October 2012 and will continue until the maturity date in June 2041.</p>	<p>198,049</p>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE F- LONG TERM DEBT (CONTINUED)

A non-interest promissory note payable from Lowell Street to the New Hampshire Housing Finance Authority secured by a mortgage and security agreement. The note will be forgiven 1/15th per year over the LIHTC compliance period. A total of \$131,267 in income was recognized during 2012. The loan is due and payable in August, 2040.

1,772,099

A promissory note payable from Dover Housing Project to New Hampshire Housing Finance Authority. The note bears no interest and is secured by a mortgage and security agreement. The note will be paid annually from surplus cash and must be paid in full by June 2028.

225,000

Total long-term debt

\$10,189,201

Less current maturities

121,296

Total long-term debt per Consolidated Statement of Financial Statements

\$10,067,905

Total long-term debt

\$10,189,201

Total related party long-term debt (see Note E)

\$ 1,725,799

Total interorganization long-term debt

\$11,915,000

The aggregate maturities of long term debt are a follows:

<u>Year Ending</u> <u>December 31</u>	<u>Amount</u>
2013	\$ 121,296
2014	122,678
2015	126,734
2016	131,988
2017	134,169
Thereafter	<u>9,552,336</u>
Total	<u>\$10,189,201</u>

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE G – OPERATING LEASES

The Entity rents corporate office space located at 106 Market and 122 Market Streets in Manchester, New Hampshire under tenant-at-will arrangements. The rent payments to Millyard I for 106 Market Street were \$300 per month. The rent payments to Millyard II for 122 Market Street were \$500 per month. Office space is also maintained at the Concord Bicentennial location at a rate of \$527.50 per month. The Entity incurred a total of \$15,930 in rent expense of its office space in 2012.

NOTE H – CONTINGENCIES

The Entity participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amounts, if any, of additional expenses which may be disallowed by the granting agency cannot be determined at this time, although the Entity expects such amounts, if any, to be immaterial.

NOTE I – GRANT REVENUE

The Entity's primary sources of support are fees and grants received from the federal government, the State of New Hampshire, and local foundations. The recognized revenue from grants for the year ended December 31, 2012 was \$1,963,816 (or 45.5% of total revenue). The various grant agreements are awarded on an annual basis or bi-annual basis. Revenue is recognized as earned under the terms of the contract and is received on a cost reimbursement basis. Other support originates as rental income, property management fees, public support and miscellaneous sources.

NOTE J – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Entity's financial instruments, none of which are held for trading purposes, include cash, investments, accounts payable, accounts receivable and notes receivable. The Entity estimates that the fair value of all financial instruments at December 31, 2012, does not materially differ from the aggregated carrying values of its financial instruments recorded in the accompanying statements of financial position.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE K – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following specific services:

The Family Place	\$ 5,018
Research and training	40,000
Lowell Street	12,932
Manchester Emergency Housing	13,700
Scholarships and tutoring	12,595
VISTA program	71,992
Dover Housing Program	20,000
Direct care for clients	16,570
Grant receivable-time restricted	25,000
	<hr/>
	\$ 217,807

NOTE L – RETIREMENT PLAN

The Entity has a tax deferred retirement plan which is available to all full-time employees. All employees are eligible to participate and are fully vested with the first contribution. The Entity matches contributions at 100% up to 3% of compensation. In calendar year 2012 the Entity contributed \$33,257 as its employer match expenses. At December 31, 2012, twenty-eight employees were participating in the plan.

NOTE M – HOUSING ACTION NEW HAMPSHIRE

In 2011, Families in Transition entered into a Fiscal Sponsorship Agreement with Housing Action New Hampshire (HANH), an unincorporated association. Authority to manage the programmatic activities of HANH is vested solely in HANH. Families in Transition maintains the books and financial records for HANH in accordance with generally accepted accounting principles. HANH is presented in the Families in Transition financial statements as a "funds held as fiscal agent" liability with the corresponding cash balance.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE N – MINORITY INTEREST

Minority interest, as shown on the Statement of Financial Position, represents investments by Limited Partners in the properties according to the following schedule:

<u>Limited Partner</u>	<u>Property</u>	<u>Minority Interest</u>
Community Capital 2000	Millyard Families II	\$ 1,159,663
NH Housing Equity Fund	Bicentennial Families	440,412
JP Morgan Chase	Bicentennial Families	440,498
BCCC, Inc.	Family Bridge	10
Boston Capital Corporate	Family Bridge	2,056,161
BCCC, Inc	Family Willows	10
Boston Capital Midway	Family Willows	2,556,022
		<u>\$ 6,652,776</u>

NOTE O – Line of Credit

In 2005, the Entity obtained a line of credit of \$100,000 with a financial institution. This line of credit matured on May 31, 2006 has been renewed annually each year since. During the term of agreement, the interest rate on any outstanding principal balance shall be equal to the Base Rate, as defined by the financial institution, with a floor of 4.00%.

As of December 31, 2012, the outstanding balance of the line of credit was \$-0- and the interest rate was 4.00%.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE P – Significant Concentrations of Credit Risk

The Entity maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to a combined total of \$250,000 per financial institution as of December 31, 2012. The bank balances may, at times, materially exceed federally insured limits. The Entity has not experienced any losses on such accounts. The Entity's uninsured cash balance was \$149,351 as of December 31, 2012.

NOTE Q – RELATED ENTITIES DISCLOSURE

Manchester Emergency Housing, Inc., a FIT-owned 501(c)3, presented the following financials at fiscal year-end, 6/30/12:

ASSETS:

Cash, savings and investments	\$ 6,969
Land and Buildings	\$ 56,836
Total Assets:	<u>\$ 63,805</u>

LIABILITIES:

Current Liabilities	\$ 6,488
Total Equity	<u>\$ 57,317</u>
Total Liabilities & Equity	<u>\$ 63,805</u>

Total Revenues:	\$175,342
Total Expenses:	<u>\$186,486</u>
Net Loss at 6/30/12:	(\$11,144)

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE R – RELATED ENTITIES DISCLOSURE (continued)

The New Hampshire Coalition to End Homelessness a FIT-owned 501(c)3, presented the following financials at fiscal year-end, 6/30/12:

ASSETS:

Cash, savings and investments	\$ 10,774
Other Assets	\$ 2,143
Total Assets:	<u>\$ 12,917</u>

LIABILITIES:

Current Liabilities	\$ 4,726
Total Equity	\$ 8,191
Total Liabilities & Equity	<u>\$ 6,894</u>

Total Revenues:	\$ 6,323
Total Expenses:	<u>\$ 864</u>
Net Income at 6/30/12:	<u>\$ 7,187</u>

NOTE S -- RESTATEMENT OF NET ASSETS

Family OutFITters, LLC is a wholly owned subsidiary of Families in Transition, Inc. During the year ended December 31, 2012, management has decided to omit the unaudited financial information of Family OutFITters, LLC from these consolidated financial statements. As condensed comparative information is included in these consolidated financial statements, net assets have been restated as of January 1, 2011 and 2012 as follows:

	2012	2011
Net assets - January 1 (as previously reported)	\$ 9,727,344	\$ 7,652,722
Amount of restatement due to removal of subsidiary from the consolidated financial statements	(127,430)	(109,867)
Net assets - January 1 as restated	\$ 9,599,914	\$ 7,542,855

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012

NOTE T – SUBSEQUENT EVENTS

Management has evaluated subsequent events to April 5, 2013 the date that the financial statements are available to be issued and has determined that there are no transactions requiring disclosure.

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012

	ASSETS							
	Families in Transition Unrestricted	Millyard Families II	Bicentennial Families Concord	Family Bridge	Family Willows	Housing Benefits	Temporarily Restricted	
CURRENT ASSETS								TOTAL
Cash and cash equivalents	\$ 314,991	\$ 16,737	\$ 4,204	\$ 2,592	\$ 5,152	\$ 58,785	\$ 217,807	\$ 620,278
Accounts receivable	110,349	2,957	124	2,977	1,714	2,415		43,692
Grants receivable	108,980							108,980
Prepaid expenses	16,409	6,458	10,613	10,874	1,095	20,137		65,586
Accrued interest receivable on related party note	601,247							
Reserve cash designated for properties	34,407	164,310	93,806	235,899	124,378	287,781		940,581
Due from related party	162,149					19,221		-
Other assets	-	658	3,111	6,152	2,036	32,320		44,277
TOTAL CURRENT ASSETS	1,348,532	191,120	111,858	258,494	134,385	420,659	217,807	1,823,394
NON CURRENT ASSETS								
Related party notes receivable	1,725,799							-
Investments	4,656					25,051		29,707
Investment in related entities	1,196,347							-
Land, buildings and equipment - net	2,384,718	2,944,909	2,389,291	5,153,746	4,329,820	7,593,727		24,756,211
Other assets - financing fees - net	5,291,520	15,490	8,457	23,973	36,414	88,059		172,393
TOTAL NON CURRENT ASSETS	5,291,520	2,960,399	2,377,748	5,177,719	4,366,234	7,706,837		24,958,311
TOTAL ASSETS	\$ 6,640,052	\$ 3,151,519	\$ 2,489,606	\$ 5,436,213	\$ 4,500,619	\$ 8,127,496	\$ 217,807	\$ 26,781,705
CURRENT LIABILITIES								
Current portion of long-term debt	\$ 46,453	\$ 10,745	\$ 4,939	\$ 9,124	\$ 20,921	\$ 29,114	\$ -	\$ 121,296
Accounts payable	51,433	6,297	4,846	15,014	10,373	42,451		92,898
Accrued expenses	83,937	878						84,815
Funds held as fiscal agent	66,506							66,506
Due to related entity	61,209	61,105	110,073	221,210	205,724	164,600		1,976
Deferred revenue	293	194	684	892	747	858		3,668
Security deposits	8,924	658	3,111	6,153	2,014	7,392		28,252
TOTAL CURRENT LIABILITIES	318,755	79,877	123,653	252,393	239,779	244,415	-	399,411
NONCURRENT LIABILITIES								
Minority interest	1,159,663	1,159,663	880,910	2,056,171	2,556,032			6,552,776
Long-term debt, less current portion	1,125,178	1,219,715	1,145,127	2,342,759	1,718,772	4,242,153		10,067,905
TOTAL LIABILITIES	1,443,933	2,459,255	2,149,690	4,651,323	4,514,583	4,486,568	-	17,120,092
NET ASSETS								
Unrestricted	5,196,119	692,264	339,916	784,890	(13,964)	3,640,928	217,807	9,443,806
Temporarily restricted	-	-	-	-	-	-	-	-
TOTAL NET ASSETS	5,196,119	692,264	339,916	784,890	(13,964)	3,640,928	217,807	9,661,613
TOTAL LIABILITIES AND NET ASSETS	\$ 6,640,052	\$ 3,151,519	\$ 2,489,606	\$ 5,436,213	\$ 4,500,619	\$ 8,127,496	\$ 217,807	\$ 26,781,705

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	Families In Transition Operating	Millyard Families	Millyard Families II	Bicentennial Families	Family Bridge	Family Willows	Housing Benefits	Eliminations	Unrestricted Total	Temporarily Restricted	2012 Total	2011 Total
REVENUE AND SUPPORT												
Federal, state and other grant support	\$ 1,435,820	\$ 234,178	\$ 168,475	\$ 142,322	\$ 335,553	\$ 279,250	\$ 117,417	\$ (103,917)	\$ 1,683,498	\$ 280,318	\$ 1,963,816	\$ 3,601,616
Rental income	247,651	92,819					343,557	(19,530)	1,590,097		1,590,097	1,634,635
Thrift store sales												
Public support	114,182							(508,296)	114,182		114,182	157,774
Tax credit revenue	33,600								33,600		33,600	188,101
Special events	158,436								158,436		158,436	119,821
Property management fees	508,296											424,756
Developer fees												443,700
VISTA program revenue	94,931								94,931		94,931	70,503
Unrealized (loss) on investments	1,078								1,078		1,078	(342)
Realized loss on assets		(1,088)	(224)	(421)	(2,570)	(1,695)			(5,998)		(5,998)	(2,912)
Interest income	97,133	3			507	70	3	(67,770)	29,946		29,946	1,993
In kind donations	25,585								25,585		25,585	29,693
Other income	206,922	800	3,801	22,157	14,160	11,033	143,621	(60,176)	342,318		342,318	104,756
Contribution from Millyard 1 LP							445,108	(445,108)				
Net assets released from restrictions	590,099								590,099	(590,099)		
TOTAL REVENUE AND SUPPORT	3,513,733	326,712	172,052	164,058	347,650	289,658	1,049,706	(1,204,797)	4,657,772	(309,781)	4,347,991	6,774,093
EXPENSES												
Program expenses	2,766,455	107,417	316,114	249,734	504,594	428,599	609,631	(759,689)	4,221,855		4,221,855	4,118,752
Distribution to Millyard 1 LP		445,108						(445,108)				
Fund-raising	426,802								426,802		426,802	272,390
Management and General	296,676								296,676		296,676	689,442
TOTAL EXPENSES	3,489,933	552,525	315,114	249,734	504,594	428,599	609,631	(1,204,797)	4,945,333		4,945,333	5,060,584
CHANGE IN NET ASSETS												
BEFORE MINORITY INTEREST	23,800	(225,813)	(143,062)	(85,676)	(156,944)	(139,941)	440,075		(287,561)	(309,781)	(597,342)	1,713,509
Minority interest		(147,479)	(143,048)	(85,667)	(156,928)	(125,919)	440,075		(659,041)		(659,041)	(343,550)
CHANGE IN NET ASSETS	23,800	(78,334)	(14)	(9)	(16)	(14,022)	440,075		371,480	(309,781)	61,699	2,057,059

FAMILIES IN TRANSITION, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	Families In Transition Operating	Military Families	Military Families II	Bicentennial Families	Family Bridge	Family Willows	Housing Benefits	Eliminations	Program Total	Fund-Raising	Management and General	2012 Total	2011 Total
EMPLOYEE COMPENSATION													
Wages	\$ 1,266,830								\$ 1,266,830	\$ 256,790	\$ 188,313	\$ 1,711,933	\$ 1,689,901
Temporary labor													
Employee benefits	138,760								138,760	28,127	20,626	187,513	189,278
Payroll taxes	107,470								107,470	21,785	15,975	145,230	140,681
TOTAL WAGES AND RELATED EXPENSES	1,513,060								1,513,060	306,702	224,914	2,044,676	2,019,860
Advertising	2,398								2,398				
Administrative		6,173					1,053		3,451	486	357	4,294	5,761
Amortization				10,038	52,921		60,775	(108,207)	45,485			45,485	201,589
Bank charges			1,304	780	1,961	3,197	6,524		13,766			13,766	
Clothing and participant expenses	56,337								56,337		3,072	56,337	2,929
Consultants	8,977								8,977	1,799	1,320	11,996	49,076
Daycare and rental subsidies	142,643								142,643			142,643	183,958
Depreciation	108,467	26,958	94,859	81,368	172,482	119,877	164,717		768,728	21,986	16,123	806,837	714,521
Development expenses													8,846
Events										26,431		26,431	32,085
General		2,844	31,308	38,923	52,815	40,861	2,636		166,343			166,343	221,445
General insurance	33,215								33,215				
Interest expense	65,289								65,289	6,733	4,937	74,429	44,344
Interest mortgage		19,406	26,652	13,173	20,882	34,889	9,372	(67,770)	102,197			102,197	46,633
Management fees	100,320	20,184	10,370	8,436	38,621	10,345	17,560		105,738			105,738	101,012
Meals and entertainment	5,187						36,648	(209,652)	35,049			35,049	119,119
Membership dues and subscriptions	5,908								5,908	1,052	771	7,010	5,228
Office supplies and expense	40,786								40,786	1,198	878	42,862	6,469
Postage	4,762								4,762	8,268	6,063	15,117	54,349
Printing	13,728								13,728	965	708	15,401	4,136
Professional fees	26,938								26,938	2,783	2,041	31,762	4,606
Related entity expenditures	171,710	486				7,634	18,766	(171,710)	53,833	5,460	4,004	63,297	41,786
Rent	15,930								15,930				
Repairs and maintenance	63,670	7,642	79,595	44,472	87,468	69,795	113,598	(15,930)	300,020	12,906	9,464	322,390	405,894
Staff development and supervision	12,837							(166,420)	12,837	2,602	1,908	17,347	44,046
Subrecipient grants	648								648			648	23,274
Taxes	31,667	8,302					79,998		119,967			119,967	31,943
Technology support	45,170								45,170	9,156	6,714	61,040	72,031
Telephone	35,440	225					1,520		37,185	7,184	5,268	49,637	48,198
Travel and vehicle	24,644								24,644	4,995	3,663	33,302	36,652
Utilities	42,417	14,987	47,341	35,528	76,644	51,668	69,765		338,350			338,350	327,769
VISTA program	164,322								164,322			164,322	70,848
Workers' compensation	30,075								30,075	6,096	4,471	40,642	27,979
In Kind													2,258
TOTAL EXPENSES	\$ 2,766,455	\$ 107,417	\$ 316,114	\$ 249,734	\$ 604,594	\$ 428,599	\$ 809,631	\$ (759,649)	\$ 4,221,855	\$ 426,002	\$ 236,676	\$ 4,945,333	\$ 5,060,584

FAMILIES IN TRANSITION, INC.

STATEMENT OF FINANCIAL POSITION
(Not including subsidiaries)

DECEMBER 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	<u>ASSETS</u>			
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2012 TOTAL</u>	<u>TOTAL</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 314,991	\$ 217,807	\$ 532,798	\$ 1,026,481
Accounts receivable	110,349		110,349	308,404
Grants receivable	108,980		108,980	124,213
Prepaid expenses	16,409		16,409	15,155
Accrued interest receivable on related party note	601,247		601,247	505,357
Reserve cash designated for properties	34,407		34,407	65,219
Due from related party	162,149		162,149	75,206
Other assets			-	1,000
TOTAL CURRENT ASSETS	<u>1,348,532</u>	<u>217,807</u>	<u>1,566,339</u>	<u>2,121,035</u>
NON CURRENT ASSETS				
Related party notes receivable	1,725,799		1,725,799	1,725,799
Investments	4,656		4,656	3,578
Investment in related entities	1,196,347		1,196,347	1,196,347
Land, buildings and equipment - net	2,364,718		2,364,718	2,101,755
TOTAL NON CURRENT ASSETS	<u>5,291,520</u>		<u>5,291,520</u>	<u>5,027,479</u>
TOTAL ASSETS	<u>\$ 6,640,052</u>	<u>\$ 217,807</u>	<u>\$ 6,857,859</u>	<u>\$ 7,148,514</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES				
Current portion of long-term debt	\$ 46,453	\$	\$ 46,453	\$ 40,240
Accounts payable	51,433		51,433	78,173
Accrued expenses	83,937		83,937	149,313
Funds held as fiscal agent	66,506		66,506	74,626
Due to related party	61,209		61,209	78,840
Deferred revenue	293		293	719
Security deposits	8,924		8,924	4,281
TOTAL CURRENT LIABILITIES	<u>318,755</u>		<u>318,755</u>	<u>426,192</u>
NONCURRENT LIABILITIES				
Long-term debt, less current portion	1,125,178		1,125,178	1,022,415
TOTAL LIABILITIES	<u>1,443,933</u>		<u>1,443,933</u>	<u>1,448,607</u>
NET ASSETS				
Unrestricted	5,196,119		5,196,119	5,172,319
Temporarily restricted		217,807	217,807	527,588
TOTAL NET ASSETS	<u>5,196,119</u>	<u>217,807</u>	<u>5,413,926</u>	<u>5,699,907</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,640,052</u>	<u>\$ 217,807</u>	<u>\$ 6,857,859</u>	<u>\$ 7,148,514</u>

FAMILIES IN TRANSITION, INC.

STATEMENT OF ACTIVITIES
(Not including subsidiaries)

For The Year Ended December 31, 2012

(With summarized financial information for the year ended December 31, 2011)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2012 TOTAL</u>	<u>2011 TOTAL</u>
REVENUE AND SUPPORT				
Federal, state and other grant support	\$ 1,435,820	\$ 280,318	\$ 1,716,138	\$ 2,039,900
Rental income	247,651		247,651	249,857
Public support	114,182		114,182	157,774
Tax credit revenue	33,600		33,600	188,100
Special events	158,436		158,436	119,821
Property management fees	508,296		508,296	463,528
Developer fees	-		-	443,700
Program service revenue	94,931		94,931	70,503
Unrealized (loss) gain on investments	1,078		1,078	(342)
(Loss) on asset disposal	-		-	(2,912)
Interest income	97,133		97,133	97,549
In kind donations	25,585		25,585	29,693
Other income	206,922		206,922	126,752
Net assets released from restriction	590,099	(590,099)		
	<u>3,513,733</u>	<u>(309,781)</u>	<u>3,203,952</u>	<u>3,983,923</u>
EXPENSES				
Program expenses	2,766,455		2,766,455	2,452,764
Fund-raising	426,802		426,802	272,390
Management and General	296,676		296,676	669,442
TOTAL EXPENSES	<u>3,489,933</u>		<u>3,489,933</u>	<u>3,394,596</u>
INCREASE (DECREASE) IN NET ASSETS	23,800	(309,781)	(285,981)	589,327
NET ASSETS - BEGINNING OF YEAR	<u>5,172,319</u>	<u>527,588</u>	<u>5,699,907</u>	<u>5,110,580</u>
NET ASSETS - END OF YEAR	<u>\$ 5,196,119</u>	<u>\$ 217,807</u>	<u>\$ 5,413,926</u>	<u>\$ 5,699,907</u>



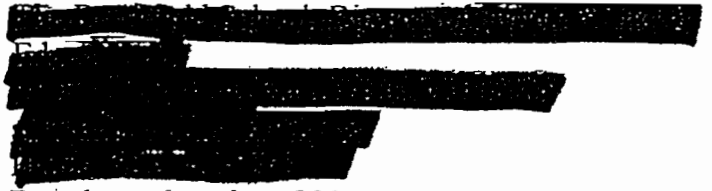
Board of Directors

Karyn O'Neil, Chair



Board member since 2003

Susan Grodman, Vice Chair



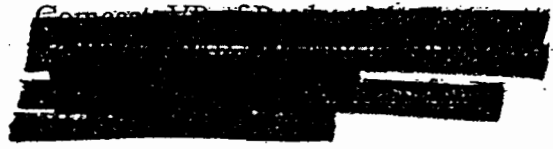
Board member since 2007

Deborah J. Brann, Treasurer



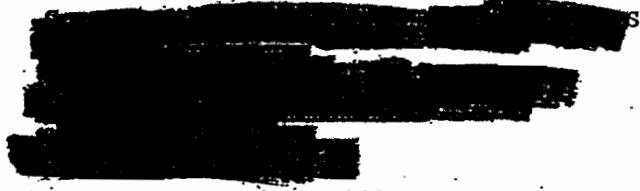
Board member since 2011

Trevor Arp, Secretary



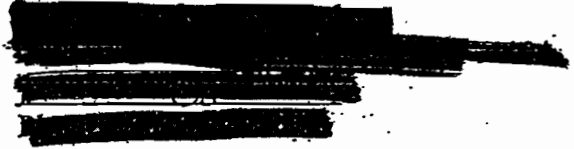
Board member since 2008

Sedra Michaelson,



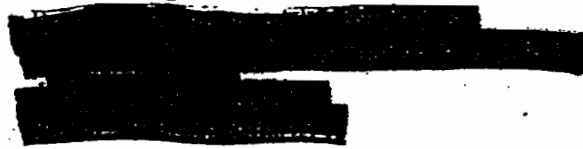
Board member since 2003

Joan Reische



Board member since 1998

Dick Anagnost



Board member since 2007

Judy Bergeron



Board member since 2005

Rev. Gayle Murphy



Board member since 2008

Theresa Dolloff



Board member since 2007

Graham Chynoweth



Board member since 2009

David Donohue



Eric Demaree

[REDACTED]

Board member since 2012

Stephanie Sledjeski

[REDACTED]

Board member since 2010

Charla Stevens

[REDACTED]

Board member since 2013

Margaret "Missy" Fulton

[REDACTED]

Board member since 2012

As of May 2013

Maureen Ann Beauregard

Professional Experience

November 1991 to Present: Families in Transition, 122 Market Street, Manchester, NH 03101.

1995-Present. President, Families in Transition. Developed a Board of Directors and established Families in Transition as a private nonprofit agency in 1995. Responsible for grant writing, fundraising, facility development, oversight of agency personnel, program development, day to day operations, reporting to state and federal agencies and public relations.

- 2003 to Present: Development and Implementation of 33 units permanent affordable housing in Manchester.
- 2001-2003: Development of Families in Transition – Concord, 16 units of affordable housing with 6 designated for homeless women with a disability and 10 designated for transitional housing for homeless women and their children.
- 2001 to Present: Development of Families in Transition's social entrepreneurship, Family OutFITters thrift store and Employment Training Program.
- 1998 – 2001: Development of Millyard II Transitional Housing Program with 19 apartments and 1 interim unit for 3 families.
- 1995 – 1997: Development of Millyard I Transitional Housing Program with 12 apartments for homeless women with children.
- 1994 – 1995: Development of steering committee to form the Board of Directors for Families in Transition and Families in Transition becomes and independent 501 © (3)

1991- 1994 New Hampshire Community Loan Fund. Program Director. Designed and implemented transitional housing programs for the homeless women with and without children.

- 1993 – 1994: Development and implementation of Community Program providing supportive services to 14 homeless women and their children and assisting them in attaining and maintaining housing.
- 1992 – 1993: Development and implementation of Amherst Street Transitional Housing Program for 9 homeless single women.
- 1991 – 1992: Development and implementation of Spruce Street Transitional Housing Program for 5 homeless women and their children.

November 1989-March 1991: Child Protective Service Worker II for the Division for Children and Youth Services, 30 Maplewood Avenue, Portsmouth, NH. Advocated for abused and neglected children in court, established support network (fostercare, visitation, and counseling) to help in the abuse/neglect recovery process.

November 1988-November 1989: Substance Abuse Counselor for Team Coordinating Agency, Phoenix East, Haverhill, MA. Counseled clients, aided and found resources

(AA/NA meetings, employment, education, and counseling) for residents in halfway house for alcoholic/addicts, age 16-25. Conducted weekly support group.

Education

Bachelor of Science degree from the University of New Hampshire, College of Life Science and Agriculture. Area of study: Family Studies.

Professional Affiliations and Honors

- **1998 to 2004** – Northern New England Housing Investment Fund. Member of Board of Directors.
- **1998 to 2004** – Northern New England Equity Fund. Member Board of Directors and Investment Committee
- **2004:** New Hampshire Business Review, Business Excellence Awards 2004, Maureen Beauregard for Excellence in Non-Profit
- **2004:** The Walter J. Dunfey Awards for Excellence in Management awarded to Families in Transition
- **2003:** YWCA Susan B. Anthony Award, Woman of the Year
- **2003:** New Hampshire Housing Finance Authority Annual Conference: Maureen Beauregard and Families in Transition recognized as Best Practice for Development of Affordable Housing in New Hampshire.
- **2002:** Great Bay Foundation: \$150,000 grant award for the development and implementation of social entrepreneurship, Family OutFITters.
- **2002:** Citizens Bank and WMUR Channel – 9, 2003 Community Champions Award for Homelessness for New Hampshire
- **2001:** Manchester Continuum of Care Narrative submission to the U.S. Dept. of Housing & Urban Development, SuperNOFA: 1 of top 10 narratives in the country.
- **2003 to Present:** YMCA Diversity Committee
- **2003 to Present:** Intown Manchester, Economic Development Committee, Trustee
- **2003:** The Sharing Foundation, Caring for Cambodia's Children Parent Advisory Council
- **2003 to Present:** New Hampshire Interagency Council on Homelessness, member appointed by Governor Benson
- **2002 to Present:** Policy Academy for the Chronically Homeless, member
- **2002 to Present:** Great Bay Foundation, Work Group consisting of 5 leading initiatives, member
- **2001 to Present:** Manchester Task Force on Housing, member appointed by Mayor
- **1999 to Present:** Northern New England Housing Investment Fund, Investment Committee, Trustee
- **1998 to Present:** Manchester Continuum of Care, Chairperson in 1998, 2003, founding member

Stephanie Allain Savard, LICSW

Licensure and Education:

- New Hampshire Licensed Independent Clinical Social Worker, #941, April, 2000 - Present.
- Masters in Social Work, Boston University, 1996.
- Bachelor of Arts – Honors in Psychology, Keene State College, 1992.
- Associate of Science in Chemical Dependency, Keene State College, 1992.
- Boston University Workshop-Based Trauma Certificate Program, 2006.
- Low Income Housing Tax Credit Certified Credit Compliance Professional (C3P), 2000.

Professional Experience:

Vice-President, Families in Transition, Manchester, NH, 1996 – Present.

- Oversight and management of clinical department with 25 staff for a permanent supportive and transitional housing program with capacity to serve 200 homeless individual and families. Oversight of clinical staff and specialized programming including: intensive case management, therapeutic services, intensive outpatient substance use treatment program specializing in co-occurring disorders & innovative therapeutic pre-school and after school program with a strength based and family focused services. Provide clinical and administrative supervision for clinical program managers to ensure quality supportive services to all participants of programs. Oversight of 24 hour emergency services hotline.
- Assume responsibilities and decision-making for agency in the absence of the President. Collaborate with President and management team on daily operations and strategic planning for the agency.
- Families in Transition Board of Directors Programs and Supportive Services Committee Member, primary liaison to Committee chair for agency.
- Extensive experience in therapeutic treatment in individual and group formats, crisis management, emergency hotline coverage, case management, intake and assessments to assist families and individuals presenting with mental health and substance use disorders, trauma histories and homelessness.

Counselor/Family Service Worker, NFI Midway Residential Shelter, Manchester, NH, 1993 – 1996.

- Supervised 15 adolescent males utilizing behavior management and normative culture techniques.
- Supervised all shifts and summer activity program; Conducted family assessments and counseling.

MSW Clinical Intern, CASPAR Emergency Service Center, Cambridge, MA, 1995-1996.

- Provided assessments, individual and group therapy to homeless adults in early recovery from substance use.

MSW Clinical Caseworker Intern, WorkSource of Work, Inc., Quincy, MA, 1994-1995.

- Provided case management, counseling, and crisis intervention to consumers with mental health disabilities.

VISTA Volunteer, Center for Human Services, Seattle, WA, 1992-1993.

- Developed and supervised volunteer program, assisted in agency fundraising and grant writing; designed and marketed public relation materials; assisted in coordinating Board of Directors and chairing Board committees.

Professional Affiliations and Volunteer Experience:

- Appointment to the NH Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention and Treatment by NH Governor Lynch, March 2010 – Present.
- Member of the Governor's Commission on Alcohol and Drug Abuse Treatment Taskforce, 2009 – Present.
- National Association of Social Workers – Member of NH Chapter Board of Directors 2004-2008; Vice-President 2006 – 2008; Executive Council Member at Large 2004-2005.
- Lazarus House Transitional Housing Advisory Council, Lawrence, MA, 2004-2008.
- NH Coalition to End Homelessness Board of Directors, 2000- 002.
- Past Member of the Manchester Homeless Continuum of Care, 2000-2007; Leadership Committee Chair – 2000-2001; Community Awareness Committee Chair, 2003-2004; 2006-2007.

Awards & Professional Memberships:

- Union Leader and Business Industry Association "40 Under 40" Leaders of New Hampshire, 2004.
- NH Homeless Service Providers Award, NH DHHS, Office of Homeless & Housing Services, 2003.

SARAH DORNER

EXPERIENCE

CL Education Center, Jinhae, South Korea Dec 2008 – Present
English Teacher

- Plan innovative lessons and activities for students ages three to fourteen
- Present new material and design tests to assess students' comprehension

Mesila Aid and Information Center, Tel Aviv, Israel Feb 2008 – Aug 2008
Social Work Volunteer

- Organized volunteers to assist ill foreign workers
- Created and conducted original activities for after school programs for children of African parents
- Supported group of foreign workers advocating for the rights of immigrant children

Kdam Atidim English Summer Camp, Ben Shemen, Israel July 2008
English Teacher/Counselor

- Devised English curriculum appropriate for Israeli teenagers
- Instructed English lessons in grammar, composition writing, and verb tenses

Eliot Community Human Services, Wakefield, MA Mar 2007– Feb 2008
Group Care Worker

- Served as role model and advocate for adolescent females residing in a residential group home
- Implemented and facilitated new and creative programming
- Maintained communication with administration, families, social workers, and schools

Student Sexuality Information Service, Brandeis University Aug 2005 – May 2007
Counselor and Educator

- Provided confidential counseling, information, and referrals to outside resources
- Designed, facilitated, and promoted campus-wide and small-group educational programs

Temple Beth Abraham Religious School, Nashua, NH June 2006 – June 2007
Group Facilitator

- Led informal educational groups to help female adolescents learn to confront challenges
- Produced programs to foster a sense of community and belonging

Waltham Action Research Project, Waltham, MA Fall 2006
Collaborative Research Intern

- Managed high school students with community-based research on local after-school programs
- Developed and conducted seminars in research skills to aid students' service learning

EDUCATION

Brandeis University, Waltham, MA December 2006
Bachelor of Arts in Psychology and Sociology, Magna Cum Laude
GPA: 3.7; Dean's List; Psi Chi National Honor Society in Psychology

University of Melbourne, Melbourne, Australia February – June 2006
Received merit-based scholarship to pursue coursework in Australian studies, Indigenous studies, and History

VOLUNTEER ACTIVITIES

FIMRC	Raised funds, collected supplies, and volunteered in Costa Rica through the Foundation for the International Medical Relief of Children	Fall 2006
Waltham Kids' Club	Supervised children in after-school program	Fall 2003 – Fall 2005
Orientation Leader	Helped new students transition and adapt to college	Fall 2004

Families in Transition
Concord Community PSH
Key Personnel

Name	Title	Salary	% paid from contract	Amt pd this contract
Maureen Beauregard	President	131,329	0%	-
Stephanie Savard	Vice President	80,777	0%	-
Sarah Dorner	Housing Advocate	43,508	43%	18,708

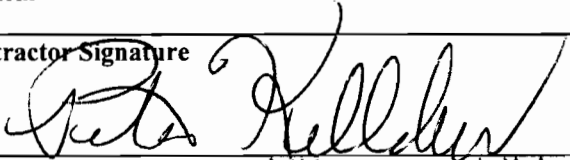
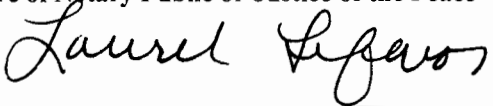
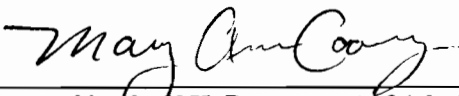
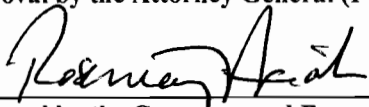
Subject: Continuum of Care Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
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 010-042-7927-102-0731	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$200,114.00
1.9 Contracting Officer for State Agency Erric D. Borrin		1.10 State Agency Telephone Number (603) 271-9558	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Peter Kelleher, President & CEO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>3/21/14</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]		LAUREL A. LEFAVOR, Notary Public My Commission Expires September 22, 2015	
1.13.2 Name and Title of Notary or Justice of the Peace <u>Laurel Lefavor</u> <u>Notary Public</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory <u>MARY ANN COONEY</u> <u>Associate Commissioner</u>	
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>3-24-14</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.

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: JK
Date: 3/12/14

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

Continuum of Care Program

1. CONDITIONAL NATURE OF AGREEMENT

1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care Grant. The State has applied for the Continuum of Care Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the Continuum of Care Grant.

2. SERVICES

2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, the Contractor shall provide a permanent housing program that shall serve eighteen (18) homeless individuals with disabilities.

2.2. The goal of this program is to facilitate the movement of homeless individuals to permanent housing and maximum self-sufficiency.

2.3. To be eligible for contract services, individuals must be homeless as defined in HUD regulations. The Contractor must obtain and retain appropriate documentation.

2.4. The Contractor shall provide these services according to HUD regulations as outlined in Public Law 102-550, 24 CFR Part 578 Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program interim rule, and other written HUD policies and directives.

2.5. Each program participant shall have an employment assessment and employment goals included in the individual service plan, as appropriate.

3. PROGRAM REPORTING REQUIREMENTS

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report: Within thirty (30) days after the Completion Date, an Annual Performance Report (APR) shall be submitted to the BHHS that summarizes the results of the Project Activities, showing in particular how the Project Activities have been performed. The Annual Performance Report shall be in the form required or specified by the State.

3.1.2. Other Reports as requested by the State.

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Current NH HMIS policy can be accessed electronically through the following website: <http://www.nh-hmis.org>.



Exhibit A

3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by the BHHS.

4. CONTRACT ADMINISTRATION

4.1. The Contractor shall have appropriate levels of staff attend all meetings or trainings requested by the BHHS. To the extent possible, BHHS shall notify the contractor of the need to attend such meetings five working days in advance of each meeting.

4.2. The Bureau Administrator of BHHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with contractor performance.

4.3. The Contractor shall inform BHHS of any staffing changes.

4.4. Contract records shall be retained for a period of five (5) years following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.

4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and the BHHS.

5. FINANCIAL

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

5.1.1. Operating Expenses

5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.

5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter- and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

5.1.2. Supportive Services

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



Exhibit A

- 5.1.2.2. Eligible costs include mental health services, case management services, salaries of Contractor staff providing supportive services, reasonable one-time moving costs (truck rental and hiring a moving company), child-care costs for establishing and operating child care, and providing child-care vouchers for children from families experiencing homelessness (including providing meals and snacks and comprehensive and coordinated developmental activities), education services, employment assistance and job training skills, housing search and counseling services, legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing), outpatient health services, transportation services, and utility deposits.
- 5.1.2.3. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.

5.1.3. Rental Assistance

- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
- 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
- 5.1.3.3. Long-term rental assistance must be administered by someone other than the Contractor. The Contractor must have a Memorandum of Understanding (MOU), with a State, unit of general local government, or a public housing agency.
- 5.1.3.4. Short or medium term rental assistance provided under the Rapid ReHousing program component is not subject to requirements in 578.51 (b), and is not required to be administered by a state, unit of local government, or public housing agency.
- 5.1.3.5. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
- 5.1.3.6. Rental assistance will only be provided for a unit if the rent is reasonable. The contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.



Exhibit A

- 5.1.3.7. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only: Property damages may be paid only from funds paid to the landlord from security deposits in an amount not to exceed two month's rent, advance payment of first month's rent and/or advance payment of last month's rent.
 - 5.1.3.8. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
 - 5.1.3.9. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
 - 5.1.3.10. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and sub recipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid ReHousing program component must be tenant based rental assistance.
 - 5.1.3.11. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
 - 5.1.3.12. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
 - 5.1.3.13. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative Costs
- 5.1.4.1. Administrative costs include: Preparing program budgets, schedules and amendments, developing systems for assuring compliance with program requirements, developing interagency agreements and agreements with sub recipients and contractors to carry out program activities, preparing reports and other documents related to the program for submission to HUD, evaluating program results against stated objectives, travel costs incurred for official business in carrying out the program, administrative

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Exhibit A

services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services), and other costs for goods and services required for administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

- 5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).
 - 5.2.1. The contractor must match all grant funds except for leasing funds, with no less than twenty-five percent of funds or in-kind contributions from other sources.
 - 5.2.2. Match requirements are to be documented with each payment request.
- 5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 4.1. The Contractor must have written approval from the State prior to billing for any other expenses.
- 5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 583.315). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.5. The contractor shall have any staff charged in full or part to this contract or counted as match complete weekly or bi-weekly timesheets.



Exhibit B

METHOD AND CONDITIONS PRECEDENT TO PAYMENT

Continuum of Care Program

The following financial conditions apply to the scope of services as detailed in Exhibit A – Continuum of Care Program.

This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund: Not applicable

Federal Funds:

CFDA #: 14.235

Federal Agency: U.S. Department of Housing & Urban Development

Program Title: Continuum of Care Program

Total Amount Continuum of Care Program;

July 1, 2014 – June 30, 2015: not to exceed \$200,114.00

Funds allocation under this agreement for Continuum of Care Program;

Supportive Services: \$73,152.00

Leasing or Rental Assistance: \$60,088.00

Operating Costs: \$62,225.00

Administrative costs: \$4,649.00

Total program amount: \$200,114.00

1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, in an amount not to exceed and for the time period specified above.

2. PROJECT COSTS: PAYMENT SCHEDULE; REVIEW BY THE STATE

2.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in OMB Circular A-87 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of OMB Circular A-122.

2.2. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S.

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Exhibit B

Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount not to exceed as specified above. Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor shall provide additional financial information if requested by the State to verify expenses.

- 2.3. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture pursuant to 24 CFR Subsection 576.55. The funds authorized to be expended under this Agreement shall be used only for operations, supportive services, leasing, rental assistance and administration or reimbursement for expenditures for operations, supportive services, leasing, and rental assistance and administration, provided by the Contractor for the project period and operating years of the Continuum of Care Program as approved by HUD and in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578.

3. USE OF GRANT FUNDS

- 3.1. The State agrees to provide payment for actual costs, up to the not to exceed amount for the Continuum of Care Program as specified in this Exhibit, as defined by HUD under the provisions of P.L. 102-550 and applicable regulations.
- 3.2. The Contractor may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval from the State.
- 3.3. Conformance to OMB Circular A-110: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in OMB Circular A-110.

4. CONTRACTOR FINANCIAL MANAGEMENT SYSTEM

- 4.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
- 4.2. The Contractor shall maintain a financial management system that complies with Attachment G of A-102, "Standards of Contractor Financial Management Systems" or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2 of this Agreement.



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.



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.

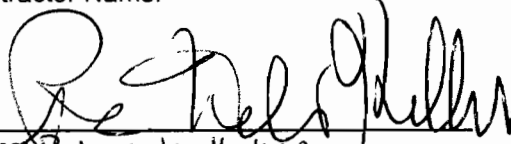
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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.

3/12/14
Date

Contractor Name: Harbor Homes Inc.


Name: Peter Kelleher
Title: President & CEO



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: Harbor Homes Inc.

Name: Peter Kelleher
Title: President & CEO

3/12/14
Date



**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.

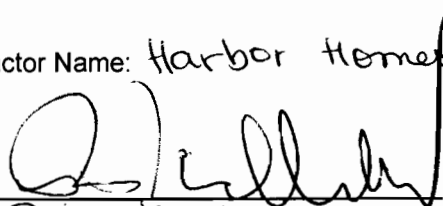
PRIMARY COVERED TRANSACTIONS

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.

3/12/14
Date

Contractor Name: Harbor Homes Inc.

Name: Peter Kelleher
Title: President & CEO



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: Harbor Homes Inc.

Name: Peter Keleher
Title: President & CEO

3/12/14
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: Harbor Homes Inc.

Name: Peter Kelleher
Title: President & CEO

3/12/14
Date



HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

Definitions

1. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D, Sec. 13400.
2. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
3. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
4. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
5. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
6. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
7. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
8. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
9. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
10. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
11. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
12. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
13. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
14. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
15. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
16. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.



Use and Disclosure of Protected Health Information

1. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. Business Associate may use or disclose PHI:
 - 2.1. For the proper management and administration of the Business Associate;
 - 2.2. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - 2.3. For data aggregation purposes for the health care operations of Covered Entity.
3. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
4. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.
5. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

Obligations and Activities of Business Associate

1. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
2. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec. 13404.
3. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
4. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
5. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.



6. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
7. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
8. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
9. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
10. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
11. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

Obligations of Covered Entity

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

Termination for Cause

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



Miscellaneous

1. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
2. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
3. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
4. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
5. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
6. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

3/12/14
Date

Contractor Name: Harbor Hermes Inc.

Name: Harbor Hermes Inc. Peter Kellerer
Title: ~~CEO~~ President & CEO

State Agency Name:
NH DHHS

3/18/14
Date

Name: Mary Ann Cooley
Title: Associate Commissioner



**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: Harbor Homes Inc.

Name: Peter Kellaher
Title: President & CEO

3/12/14
Date



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: 13-1864357
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:

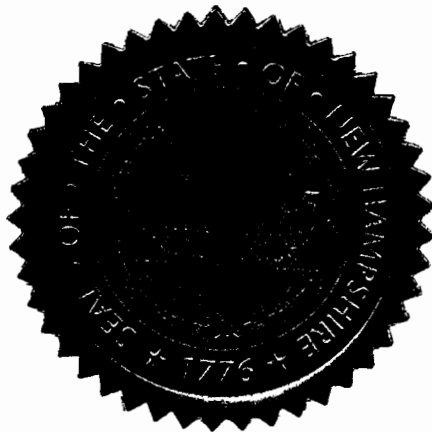
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

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

State of New Hampshire Department of 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 11th day of March A.D. 2014

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE/AUTHORITY

I, Laurie Goguen, of Harbor Homes Inc., do hereby certify that:

- 1. I am the duly elected Board Secretary of Harbor Homes, Inc.
- 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 March 12th 2014.

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

RESOLVED: That the **President and CEO** of Harbor Homes Inc. has the authority to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as (s)he may deem necessary, desirable or appropriate. **Peter Kelleher** is the duly appointed **President and CEO** of **Harbor Homes Inc.**

- 3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of March 12th, 2014.

IN WITNESS WHEREOF, I have hereunto set my hand as the **Secretary** of **Harbor Homes Inc.** this 12th day of March, 2014

Laurie Goguen
(Laurie Goguen, Board Secretary)

State of **New Hampshire**
County of **Hillsborough**

The foregoing instrument was acknowledged before me this 12th day of March, 2014 by **Laurie Goguen**

Laurel Lefavor
Name: **Laurel Lefavor**
Title: Notary Public/Justice of the Peace

(Seal)
(Notary Public)

LAUREL A. LEFAVOR, Notary Public
My Commission Expires September 22, 2015
Commission Expires: _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
2/6/2014

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

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

PRODUCER FIAI/Cross Insurance 1100 Elm Street Manchester NH 03101		CONTACT NAME: Tara Dean, CIC PHONE (A/C No. Ext.): (603) 669-3218 FAX (A/C No.): (603) 645-4331 E-MAIL ADDRESS: tdean@crossagency.com	
INSURED Harbor Homes, Inc. 45 High Street Nashua NH 03060		INSURER(S) AFFORDING COVERAGE INSURER A: Citizens Ins Co of America NAIC # 31534 INSURER B: Hanover Ins Co. INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES CERTIFICATE NUMBER: CL1371889450 REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			ZBV970714700	7/1/2013	7/1/2014	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 - COM/POP AGG \$ 3,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						
B	AUTOMOBILE LIABILITY ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			AHV970600300	7/1/2013	7/1/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist combined \$ 1,000,000
	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			UHV970913300	7/1/2013	7/1/2014	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability			ZBV970714700 excl Harbor Homes clinic	7/1/2013	7/1/2014	1,000,000 Ea Wrongful Act 3,000,000 Aggregate

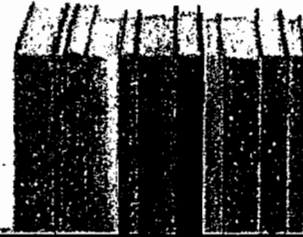
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Refer to policy for exclusionary endorsements and special provisions.

CERTIFICATE HOLDER**CANCELLATION**

Department of Health and Human Services Attn: Eric Borrin 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 Tara Dean, CIC/TXD <i>Tara C. Dean</i>
--	---

Web-Library

An Internal Employee Resource Center



Home

Harbor Homes, Inc.

Mission Statement

To create and provide quality residential and supportive services for persons (and their families) challenged by mental illness and homelessness.

Overview

- A private, nonprofit agency, Harbor Homes is a beacon for people challenged by mental illness and/or homelessness or chronic homelessness.
- Built upon a core belief that individuality, dignity, self-respect and a safe place to live are key to a person's ability to contribute to society. [more](#)

Harbor Homes, Inc

5 Year Goals and Objectives

[Back to Mission Statement and Overviews](#)

HARBOR HOMES, INC.

Financial Statements

For the Year Ended June 30, 2012

(With Independent Auditors' Report Thereon)

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MELANSON HEATH & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Harbor Homes, Inc.

We have audited the accompanying statement of financial position of Harbor Homes, Inc., a (nonprofit organization) as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows, for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harbor Homes, Inc., as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated January 8, 2013 on our consideration of the Organization'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2012 on our consideration of the Project'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Melanson, Heath + Company P.C.
Nashua, New Hampshire
September 10, 2012

HARBOR HOMES, INC.

Statement of Financial Position

June 30, 2012

	<u>HUD I</u> <u>Program</u>	<u>HUD VI</u> <u>Program</u>	<u>Program</u> <u>Operations</u>	<u>Total</u>
<u>ASSETS</u>				
Current Assets:				
Cash and cash equivalents	\$ 10,581	\$ 99	\$ 778,900	\$ 789,580
Accounts receivable, net of allowance for uncollectible accounts	2,274	8,151	735,916	746,341
Promises to give	-	-	25,000	25,000
Due from HUD Programs	-	-	349	349
Due from related organizations	-	-	115,338	115,338
Prepaid expenses	-	-	4,839	4,839
Total Current Assets	<u>12,855</u>	<u>8,250</u>	<u>1,660,342</u>	<u>1,681,447</u>
Property and Equipment, net of accumulated depreciation	78,478	307,862	13,093,058	13,479,398
Non-current Assets:				
Restricted deposits and funded reserves	89,404	60,855	125,868	276,127
Due from HUD Programs	-	-	64,302	64,302
Due from related organizations	-	-	340,861	340,861
Beneficial interest	-	-	116,175	116,175
Total Non-current Assets	<u>89,404</u>	<u>60,855</u>	<u>647,206</u>	<u>797,465</u>
Total Assets	<u>\$ 180,737</u>	<u>\$ 376,967</u>	<u>\$ 15,400,606</u>	<u>\$ 15,958,310</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts payable	\$ 2,179	\$ 455	\$ 287,678	\$ 290,312
Accrued and other liabilities	1,450	6,031	370,714	378,195
Due to program operations	349	-	-	349
Due to related organizations	-	-	98,707	98,707
Line of credit	-	-	809,999	809,999
Current portion of mortgages payable	11,689	3,931	187,232	202,852
Total Current Liabilities	<u>15,667</u>	<u>10,417</u>	<u>1,754,330</u>	<u>1,780,414</u>
Long Term Liabilities:				
Due to program operations	-	64,302	-	64,302
Due to related organizations	-	-	75,000	75,000
Security deposits	2,125	798	37,642	40,565
Mortgages payable, tax credits	-	-	184,497	184,497
Mortgages payable, net of current portion	176,441	238,496	5,156,420	5,571,357
Mortgages payable, deferred	-	-	4,706,134	4,706,134
Total Long Term Liabilities	<u>178,566</u>	<u>303,596</u>	<u>10,159,693</u>	<u>10,641,855</u>
Total Liabilities	194,233	314,013	11,914,023	12,422,269
Unrestricted Net Assets (Deficit):				
HUD programs	(13,496)	62,954	-	49,458
Program operations	-	-	3,462,173	3,462,173
Temporarily Restricted Net Assets	-	-	24,410	24,410
Total Net Assets (Deficit)	<u>(13,496)</u>	<u>62,954</u>	<u>3,486,583</u>	<u>3,536,041</u>
Total Liabilities and Net Assets	<u>\$ 180,737</u>	<u>\$ 376,967</u>	<u>\$ 15,400,606</u>	<u>\$ 15,958,310</u>

See accompanying notes to the financial statements.

HARBOR HOMES, INC.

Statement of Activities

For the Year Ended June 30, 2012

	Unrestricted Net Assets			Temporarily Restricted Net Assets	Total
	HUD I Program	HUD VI Program	Program Operations		
<u>Public Support and Revenue:</u>					
Public Support:					
Federal grants	\$ -	\$ -	\$ 2,455,999	\$ -	\$ 2,455,999
State, local, and other grants	-	-	429,466	-	429,466
Donations in-kind	-	-	179,906	-	179,906
Donations	-	-	86,202	9,500	95,702
Net assets released from restriction	-	-	5,291	(5,291)	-
Total Public Support	-	-	3,156,864	4,209	3,161,073
<u>Revenue:</u>					
Department of Housing and Urban Development	85,521	6,737	2,441,785	-	2,534,043
Veterans Administrative grants	-	-	978,269	-	978,269
Medicaid - Federal and State	-	-	825,432	-	825,432
Client fees:					
Rent and service charges, net	26,702	1,600	293,382	-	321,684
Food and common area fees	-	-	67,200	-	67,200
Outside rent	-	-	170,600	-	170,600
Miscellaneous	-	85,883	8,119	-	94,002
Employment projects	-	-	66,621	-	66,621
Sliding fee and free care	-	-	20,531	-	20,531
Medicare revenue	-	-	5,036	-	5,036
Fundraising revenue	-	-	13,124	-	13,124
Gain on disposal of fixed assets	-	-	7,500	-	7,500
Management fees	-	-	2,805	-	2,805
Interest	96	-	265	-	361
Unrealized gain/(loss)	-	-	(966)	-	(966)
Bad debts	-	-	(49,404)	-	(49,404)
Total Revenue	112,319	94,220	4,850,299	-	5,056,838
Total Public Support and Revenue	112,319	94,220	8,007,163	4,209	8,217,911
<u>Expenses:</u>					
Program	86,600	29,935	7,081,082	-	7,197,617
Administration	13,573	1,331	1,047,065	-	1,061,969
Fundraising	-	-	183,057	-	183,057
Total Expenses	100,173	31,266	8,311,204	-	8,442,643
Change in net assets	12,146	62,954	(304,041)	4,209	(224,732)
Net Assets (Deficit), Beginning of Year	(25,642)	-	3,766,214	20,201	3,760,773
Net Assets (Deficit), End of Year	\$ (13,496)	\$ 62,954	\$ 3,462,173	\$ 24,410	\$ 3,536,041

See accompanying notes to the financial statements.

HARBOR HOMES, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2012

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Expenses:				
Accounting fees	\$ -	\$ 34,433	\$ -	\$ 34,433
Advertising and printing	6,456	187	4,958	11,601
Client services and assistance	29,962	9	-	29,971
Client transportation	19,814	32	683	20,529
Conference and conventions	18,701	19,393	161	38,255
Contract labor	61,709	13,868	-	75,577
Employee benefits	499,946	151,283	20,859	672,088
Enabling services	3,380	-	-	3,380
Equipment rental	1,351	4,127	-	5,478
Food	59,553	-	-	59,553
Garbage and trash removal	11,876	2,641	-	14,517
Grants	262,435	-	-	262,435
Information technology	139,300	10,161	-	149,461
Interest expense - mortgage	305,005	33,110	-	338,115
Interest expense - other	468	31,032	-	31,500
Journals and publications	800	241	-	1,041
Legal fees	11,087	78,509	-	89,596
Medical and clothing	186,773	200	-	186,973
Membership dues	28,077	-	935	29,012
Office supplies	41,000	6,845	2,021	49,866
Operating and maintenance	137,338	11,757	50	149,145
Operational supplies	55,396	3,908	-	59,304
Other expenditures	8,924	15,026	-	23,950
Payroll taxes	221,773	48,654	12,244	282,671
Postage/shipping	2,755	4,428	371	7,554
Professional fees	94,867	979	-	95,846
Property and liability insurance	69,593	7,340	-	76,933
Property taxes	14,108	-	-	14,108
Rent expense	1,700,280	-	-	1,700,280
Salary and wages	2,393,010	450,660	134,462	2,978,132
Snow removal	1,086	-	-	1,086
Staff development	7,351	-	-	7,351
Staff expense	6,024	2,763	184	8,971
Staff transportation	17,219	12,057	1,133	30,409
Telephone/communications	71,962	10,731	3,519	86,212
Utilities	225,268	18,427	1,477	245,172
Vehicle expenses	22,597	735	-	23,332
Total Expenses Before Depreciation	<u>6,737,244</u>	<u>973,536</u>	<u>183,057</u>	<u>7,893,837</u>
Depreciation	<u>460,373</u>	<u>88,433</u>	<u>-</u>	<u>548,806</u>
Total Expenses	<u>\$ 7,197,617</u>	<u>\$ 1,061,969</u>	<u>\$ 183,057</u>	<u>\$ 8,442,643</u>

See accompanying notes to the financial statements.

HARBOR HOMES, INC.

Statement of Cash Flows

For the Year Ended June 30, 2012

Cash Flows From Operating Activities:	
Change in net assets	\$ (224,732)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	548,806
Loss on beneficial interest	1,580
(Increase) Decrease In:	
Accounts receivable	131,853
Prepaid expenses	38,271
Increase (Decrease) In:	
Accounts payable	68,632
Accrued and other liabilities	(58,004)
Deferred revenue	(1,819)
Net Cash Provided by Operating Activities	<u>504,587</u>
Cash Flows From Investing Activities:	
Restricted deposits and funded reserves	3,123
Security deposits	1,346
Purchase of fixed assets	<u>(102,539)</u>
Net Cash Used by Investing Activities	<u>(98,070)</u>
Cash Flows From Financing Activities:	
Proceeds from line of credit	100,000
Proceeds from long term borrowings	184,868
Payments on long term borrowings	(275,356)
Net change in due to/from related organizations	<u>(181,828)</u>
Net Cash Used by Financing Activities	<u>(172,316)</u>
Net Increase	234,201
Cash and Cash Equivalents, Beginning of Year	<u>555,379</u>
Cash and Cash Equivalents, End of Year	<u>\$ 789,580</u>
Supplemental disclosures of cash flow information:	
Interest paid	<u>\$ 411,978</u>
Non-cash financing activities	<u>\$ 1,167,932</u>

See accompanying notes to the 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 Cash Flows, and a Statement of Functional Expenses.

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.

Allowance for Doubtful Accounts

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

Property and Equipment

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

Functional Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the Statement of Activities and in the 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) for fiscal years 2009, 2010, and 2011 are subject to examination by the IRS, generally for three years after they were filed.

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

Subsequent Events

In accordance with the provisions set forth by FASB ASC, *Subsequent Events*, events and transactions from July 1, 2012 through January 8, 2013, the date the financial statements were available to be issued, have been evaluated by management for disclosure.

3. Concentration of Credit Risk - Cash and Cash Equivalents:

The carrying amount of the Organization's deposits with financial institutions was \$ 789,580 at June 30, 2012. The difference between the carrying amount and the bank balance represents reconciling items such as deposits in transit and outstanding checks, which have not been processed by the bank at June 30, 2012. The bank balance is categorized as follows:

Insured by FDIC	\$	664,587
Insured by SIPC		55,717
Uninsured and uncollateralized		<u>406,201</u>
Total Bank Balance	\$	<u>1,126,505</u>

4. Accounts Receivable:

Accounts receivable at June 30, 2012 consists of the following:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
HUD I Program			
Residents	\$ <u>2,274</u>	\$ <u>-</u>	\$ <u>2,274</u>
Total	\$ <u>2,274</u>	\$ <u>-</u>	\$ <u>2,274</u>
HUD VI Program			
Residents	\$ <u>8,151</u>	\$ <u>-</u>	\$ <u>8,151</u>
Total	\$ <u>8,151</u>	\$ <u>-</u>	\$ <u>8,151</u>
Program Operations			
Residents	\$ 84,457	\$ (64,291)	\$ 20,166
Security deposits	3,739	-	3,739
Medicaid	44,857	-	44,857
Grants	584,969	-	584,969
Clinic	107,154	(34,471)	72,683
Other	<u>9,502</u>	<u>-</u>	<u>9,502</u>
Total	\$ <u>834,678</u>	\$ <u>(98,762)</u>	\$ <u>735,916</u>

5. 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. 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, 2012 are as follows:

	<u>Due to</u>	<u>Due From</u>
Current:		
Healthy at Home	\$ 79,828	\$ -
Southern NH HIV/AIDS Task Force	18,879	-
Greater Nashua Council on Alcoholism	-	98,591
Milford Regional Counseling Services, Inc.	-	16,107
HH Ownership, Inc.	-	443
Harbor Homes III, Inc.	-	197
	<hr/>	<hr/>
Subtotal current	98,707	115,338
Non-current:		
Healthy at Home	75,000	-
Greater Nashua Council on Alcoholism	-	120,000
Harbor Homes II, Inc.	-	129,269
Welcoming Light, Inc.	-	91,592
	<hr/>	<hr/>
Subtotal non-current	75,000	340,861
	<hr/>	<hr/>
Total	\$ <u>173,707</u>	\$ <u>456,199</u>

Although management believes the above receivables to be collectible, there is significant risk that the non-current portion may not be.

6. Prepaid Expenses:

Prepaid expenses consist of the following items:

	<u>HUD I</u> <u>Program</u>	<u>HUD VI</u> <u>Program</u>	<u>Program</u> <u>Operations</u>
Prepaid HRA	\$ -	\$ -	\$ 1,697
Prepaid gas	-	-	1,218
Prepaid other	-	-	1,924
	<hr/>	<hr/>	<hr/>
Total	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,839</u>

7. Property, Equipment and Depreciation:

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

	HUD I <u>Program</u>	HUD VI <u>Program</u>	Program <u>Operations</u>
Land	\$ 49,484	\$ 54,750	\$ 1,686,356
Construction in progress	-	-	863,531
Buildings	253,233	257,402	11,981,678
Building improvements	87,792	-	1,040,611
Software	-	-	320,366
Vehicles	-	-	202,983
Furniture and fixtures	-	-	161,877
Equipment	18,695	-	158,062
Medical equipment	-	-	65,762
Subtotal	<u>409,204</u>	<u>312,152</u>	<u>16,481,226</u>
Less: accumulated depreciation	<u>(330,726)</u>	<u>(4,290)</u>	<u>(3,388,168)</u>
Total	<u>\$ 78,478</u>	<u>\$ 307,862</u>	<u>\$ 13,093,058</u>

Depreciation expense for the year ended June 30, 2012 totaled \$ 548,806.

The estimated useful lives of the depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 - 40
Software	3
Vehicles	3
Furniture and fixtures	5 - 7
Equipment	5 - 7

8. 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:

	HUD I <u>Program</u>	HUD VI <u>Program</u>	Program <u>Operations</u>
Security deposits	\$ 2,125	\$ -	\$ 44,158
Reserve for replacements	31,076	13,900	81,710
Residual receipt deposits	<u>56,203</u>	<u>46,955</u>	<u>-</u>
Total	<u>\$ 89,404</u>	<u>\$ 60,855</u>	<u>\$ 125,868</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.

9. 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.

10. Accrued and Other Liabilities:

Accrued and other liabilities include the following:

	HUD I <u>Program</u>	HUD VI <u>Program</u>	Program <u>Operations</u>
Mortgage interest	\$ 1,450	\$ 1,416	\$ -
Payroll and related taxes	-	-	145,251
Compensated absences - vacation time	-	-	192,231
Compensated absences - personal time	-	-	13,380
Other	-	4,615	19,852
Total	<u>\$ 1,450</u>	<u>\$ 6,031</u>	<u>\$ 370,714</u>

11. Line of Credit:

At June 30, 2012, the Organization had a \$ 900,000 line of credit available from TD Bank, N. A., 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 1.00%, adjusted daily. As of June 30, 2012 the credit line had an outstanding balance of \$ 809,999, at an interest rate of 4.25%.

In March 2012 the line of credit agreement was modified to require the Organization to reduce the line to a low point of \$ 500,000 for a minimum of thirty consecutive days during any period over the year. The Organization was in compliance with covenants during fiscal year 2012.

12. **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.

13. **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. This amount is amortized over 10 years at zero percent interest. The amount due at June 30, 2012 is \$ 184,497.

14. **Mortgages Payable:**

Mortgages payable as of June 30, 2012 consisted of the following:

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. \$ 1,138,268

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. 796,140

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. 715,322

(continued)

(continued)

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.	688,828
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.	552,391
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.	501,960
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.	323,475
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.	242,428
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.	188,130
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.	146,670

(continued)

(continued)

A mortgage payable to Berkadia, due in monthly installments of \$ 3,640, including principal and interest at a variable rate (4.75% at June 30, 2012), maturing in 2016, secured by a program building and five scattered condominiums in Nashua, New Hampshire.	144,483
A mortgage payable to TD Bank, due in monthly installments of \$ 2,095, including principal and interest at 6.45%, maturing in 2018, secured by real property.	132,412
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 2225 basis points, maturing in 2037, secured by real property.	108,262
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.	95,440
Total	<u>5,774,209</u>
Less amount due within one year	<u>(202,852)</u>
Mortgages payable, net of current portion	<u>\$ 5,571,357</u>

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

<u>Year</u>	<u>Amount</u>
2013	\$ 202,852
2014	214,332
2015	226,505
2016	220,714
2017	207,278
Thereafter	<u>4,702,528</u>
Total	\$ <u>5,774,209</u>

15. Mortgages Payable, Deferred:

The Organization has deferred mortgages outstanding at June 30, 2012 totaling \$ 4,706,134. 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, 2012:

	<u>Program Operations</u>
City of Manchester:	
Somerville Street property	\$ <u>173,300</u>
Total City of Manchester	173,300
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
Spring Street property	<u>398,747</u>
Total FHLB	798,747

NHHFA:	
Factory Street property	1,000,000
Spring Street property	550,000
Charles Street property	50,000
Somerville Street property	<u>900,000</u>
Total NHHFA	<u>2,500,000</u>
Total Mortgages Payable, Deferred	<u>\$ 4,706,134</u>

16. Temporarily Restricted Net Assets:

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

<u>Purpose</u>	<u>Amount</u>
Dalianis bricks	\$ 735
Dental funds	85
Medical equipment	11,722
Operation brightside	2,000
SCOAP	4,238
Veterans computers	<u>5,630</u>
Total	<u>\$ 24,410</u>

17. 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.

The Organization is a corporate guarantor for Greater Nashua Council on Alcoholism in relation to two mortgages on their Amherst Street property. The guaranties consist of one mortgage in the amount of \$1,879,684 and another

mortgage in the amount of \$400,000. A subsequent payment of \$100,000 was made to reduce the \$400,000 mortgage to \$300,000.

During the year, the Organization rented office space, under tenant at will agreements, to Southern NH HIV/AIDS Task Force, and Healthy at Home, Inc., related parties. The rental income under these agreements totaled \$ 24,816 and \$ 60,000, respectively, for fiscal year 2012.

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.

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

18. Leases:

Operating leases

The Organization has entered into several operating leases for vehicles and equipment which expire at various times. Total lease expense for the current year was approximately \$ 9,000.

Future minimum lease payments for vehicles and equipment are as follows:

<u>Year</u>	<u>Amount</u>
2013	\$ 7,320
2014	7,320
2015	6,090
2016	<u>2,200</u>
Total	<u>\$ 22,930</u>

19. **Employee Benefit Plan:**

After one year of continuous service with the Organization, employees may contribute a portion of their wages to a Section 403(b) retirement 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, 2012 were \$ 93,679.

In addition to the retirement plan noted above, the Organization also has a Section 457 deferred compensation plan.

20. **Concentration of Risk:**

The Organization receives 31% of its revenue from the Department of Housing and Urban Development.

21. **Fair Value Measurements:**

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

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

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

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

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

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>
Beneficial interest	\$ 116,175	\$ 116,175	\$ -	\$ -	\$ 116,175
Total assets	<u>\$ 116,175</u>	<u>\$ 116,175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,175</u>
Line of credit	\$ 809,999	\$ 809,999	\$ -	\$ 809,999	\$ -
Mortgages payable, tax credits	184,497	184,497	-	-	184,497
Mortgages payable	5,774,209	5,774,209	-	5,774,209	-
Mortgages payable, deferred	<u>4,706,134</u>	<u>4,706,134</u>	<u>-</u>	<u>4,706,134</u>	<u>-</u>
Total liabilities	<u>\$ 11,474,839</u>	<u>\$ 11,474,839</u>	<u>\$ -</u>	<u>\$ 11,290,342</u>	<u>\$ 184,497</u>

Fair Value Measurements
Using Significant Unobservable Inputs
Level 3

	<u>Beneficial Interest</u>	<u>Mortgages Payable, Tax Credits</u>
Beginning balance June 30, 2011	\$ 117,755	\$ 140,940
Advances	10,130	64,600
Reductions	(11,710)	(21,043)
Transfers in to Level 3	-	-
Ending balance June 30, 2012	<u>\$ 116,175</u>	<u>\$ 184,497</u>

22. Healthcare Clinic:

Patient service revenue is recorded as services provided. The Healthcare Clinic (The Clinic) establishes fees for services to patients based on a sliding

fee scale. Contractual allowances are recorded based on patients served in the period the related services are rendered.

The Clinic has a policy of providing free care to patients who are unable to pay. Such patients are identified based on financial information obtained from the patients prior to the services being rendered. The approximate amount of free care services provided was \$ 150,000 for the year ended June 30, 2012. The Clinic billed a third-party payer approximately \$ 35,000 during the fiscal year.

Patient accounts receivable are recorded less allowances for doubtful accounts and net of contractual allowances. The Clinic provides for losses on patient accounts receivable using the allowance method. Receivables are considered impaired if full payments are not expected in accordance with contractual terms. The net balance as of June 30, 2012 was \$ 87,683.

HARBOR HOMES, INC.

Schedule of Activities by Cost Center

For the Year Ended June 30, 2012

	Non BBH		Community Residence Chestnut St.	Community Residence Winter St.	Emergency Shelter	Permanent Housing 2	Administration
	Healthcare Clinic	Other					
Public Support and Revenue:							
Public Support:							
Federal grants	\$ 753,973	\$ 1,531,924	\$ -	\$ -	\$ 41,548	\$ -	\$ -
State, local, and other grants	48,643	287,603	-	-	72,177	-	-
Donations in-kind	-	179,906	-	-	-	-	-
Donations	-	-	-	-	1,534	-	-
Total Public Support	802,616	1,999,433	-	-	115,259	-	-
Revenue:							
Department of Housing and Urban Development	-	2,341,931	-	-	-	192,112	-
Veterans Administrative grants	-	978,289	-	-	-	-	-
Medicaid - Federal and State	76,049	2,105	405,734	341,544	-	-	-
Rent and service charges, net	-	297,660	-	-	2,477	21,547	-
Food and common area fees	-	-	39,600	27,800	-	-	-
Outside rent	-	145,784	-	-	-	24,816	-
Miscellaneous	3,487	68,802	-	-	-	20	1,693
Employment projects	-	66,621	-	-	-	-	-
Sliding fee and free care	20,531	-	-	-	-	-	-
Medicare revenue	5,036	-	-	-	-	-	-
Fundraising revenue	-	-	-	-	-	-	-
Gain on disposal of fixed assets	-	-	7,500	-	-	-	-
Management fees	-	-	-	-	-	-	2,805
Interest	-	96	-	-	-	-	265
Unrealized gain/(loss)	-	-	-	-	-	-	(966)
Bad debts	(8,266)	(37,783)	(1,430)	(1,925)	-	-	-
Total Revenue	96,837	3,883,485	451,404	367,219	2,477	238,495	3,797
Total Public Support and Revenue	899,453	5,882,918	451,404	367,219	117,736	238,495	3,797
Expenses before depreciation	620,079	5,238,037	214,719	230,570	124,494	251,708	973,536
Change in net assets before depreciation	279,374	70,917	236,685	136,649	(6,758)	(13,213)	(969,739)
Depreciation	30,336	402,068	1,398	1,520	4,833	20,218	88,433
Change in net assets	\$ 249,038	\$ 242,813	\$ 235,287	\$ 135,129	\$ (11,591)	\$ (33,431)	\$ (1,058,172)

See Independent Auditors' Report.

HARBOR HOMES, INC.

Schedule of Expenses

For the Year Ended June 30, 2012

	Healthcare Clinic		Non BBH		Community Residence Chestnut St.	Community Residence Winter St.	Emergency Shelter	Permanent Housing 2	Administration
	HCH - CIP	Other	HCH - CIP	Other					
Expenses:	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounting fees	-	-	-	1,498	-	-	-	-	34,433
Advertising and printing	-	4,958	-	29,962	-	-	-	-	187
Client services and assistance	-	-	-	19,099	-	-	-	-	32
Client transportation	-	-	-	10,943	32	-	-	683	19,393
Conferences and conventions	7,758	-	-	11,222	-	3,065	-	-	13,868
Contract labor	45,164	-	13,649	-	2,258	-	-	-	151,283
Employee benefits	38,636	-	-	385,851	10,045	31,099	14,409	19,906	-
Enabling services	2,942	438	-	-	-	-	-	202	4,127
Equipment rental	-	-	-	1,149	-	-	-	-	-
Food	-	-	-	21,908	20,774	14,422	2,449	-	-
Garbage and trash removal	-	-	-	9,216	-	40	-	2,620	2,641
Grants	-	-	-	261,736	-	-	568	121	-
Information technology	10	-	-	121,625	-	-	-	-	10,161
Interest expense - mortgage	4,026	-	-	-	-	-	8,427	-	33,110
Interest expense - other	5,390	-	-	280,346	-	-	-	-	31,032
Interest expense - other	-	-	-	156	156	156	-	-	241
Journals and publications	293	-	-	325	-	182	-	-	78,509
Legal fees	-	1,125	-	9,962	-	-	-	-	200
Medical and clothing	-	-	-	186,773	-	-	-	-	-
Membership dues	-	-	-	6,015	-	-	-	-	-
Office supplies	-	-	-	39,365	744	450	170	271	6,845
Operating and maintenance	18,603	316	-	75,598	-	672	5,934	36,215	11,757
Operational supplies	20,534	14,950	-	9,395	3,726	3,057	2,762	972	3,908
Other expenditures	5,940	131	-	2,819	-	-	34	-	15,026
Payroll taxes	34,655	-	-	142,484	15,453	14,575	5,643	8,963	48,654
Postage/shipping	715	-	-	1,925	49	46	20	-	4,428
Professional fees	4,766	-	-	90,101	-	-	-	-	979
Property and liability insurance	37,268	-	-	23,277	1,164	1,047	1,541	5,296	7,340
Property taxes	-	-	-	14,108	-	-	-	-	-
Rent expense	6,043	-	-	1,654,064	-	-	-	40,173	-
Salary and wages	383,065	-	-	1,521,662	159,175	159,214	68,154	101,740	450,660
Snow removal	-	-	-	1,002	-	-	-	84	-
Staff development	139	-	-	7,180	16	16	-	-	-
Staff expense	762	8	-	4,786	219	34	160	55	2,763
Staff transportation	2,545	-	-	13,608	91	1	793	180	12,057
Telephone/communications	825	-	-	64,406	173	1,205	2,086	3,267	10,731
Utilities	-	-	-	196,618	-	-	11,344	18,306	18,427
Vehicle expenses	-	-	-	18,852	644	1,289	-	1,812	735
Total Expenses Before Depreciation	620,079	57,637	5,238,037	214,719	214,719	230,570	124,494	251,708	973,536
Depreciation	30,336	-	402,068	1,398	1,398	1,520	4,833	20,218	88,433
Total Expenses	\$ 650,415	\$ 57,637	\$ 5,640,105	\$ 216,117	\$ 216,117	\$ 232,090	\$ 129,327	\$ 271,926	\$ 1,061,969
									\$ 8,442,643

See Independent Auditors' Report.

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 - ~~6/13~~ **Treasurer**
(Chair, Finance Committee)
(Facilities Committee)

(2nd term +)

Thomas I. Arnold, III - ~~6/13~~ **Vice Chair of the Board**
(Executive Committee)

(2nd term +)

Vincent Chamberlain - ~~6/15~~ (Chair, Resource/Development/
Planning Committee)
(HCC Oversight Committee)

(1st term)

Pastor Geoff DeFranca - ~~6/14~~ (Resource/Development/
Planning Committee)

(1st term)

Laurie Des Rochers - ~~6/13~~ (Facilities Committee)

(1st term)

Robert Fischer - ~~6/14~~ **Chair of the Board**
(Resource/Development/
Planning Committee)

(2nd term +)

Laurie Goguen - ~~6/13~~ **Secretary**
(Governance Committee)
(HCC Oversight Committee)

(1st term)

Alphonse Haettenschwiller - ~~6/15~~ (Finance Committee)
(HCC Oversight Committee, Chair)

(2nd term)

Robert Kelliher - ~~6/14~~ (Chair, Facilities Committee)
(Governance Committee)

(2nd term)

Lynn King - ~~6/16~~ (Resource/Development/
Planning Committee)

(1st term)

Captain James Lima - ~~6/15~~ (Governance Committee)
Nashua Police Department
(Facilities Committee)

(1st term)

Sean McGuinness - ~~6/12~~ (Executive Committee)

(1st term)

Dan Proulx - ~~6/13~~

(1st term)

Dan Sallet - ~~6/14~~ (Finance Committee)

(1st term)

Dean Shalhoup - ~~6/13~~ (Resource/Development/
Planning Committee)

(1st term)

Trent Smith - ~~6/14~~ (Chair, Governance Committee)
(HCC Oversight Committee)

(2nd term)

PETER J. KELLEHER, CCSW, LICSW

PROFESSIONAL EXPERIENCE

2006-Present Executive Director, Southern New Hampshire HIV/AIDS Task Force, Nashua, NH

2002-Present Executive Director, GNCA, Inc. Nashua, NH

1997-Present Executive Director, Healthy at Home, Inc., Nashua, NH

1995-Present Executive Director, Milford Regional Counseling Services, Inc., Milford, NH

1995-Present Executive Director, Welcoming Light, Inc., Nashua, NH

1982-Present Executive Director, Harbor Homes, Inc., Nashua, NH

Currently employed as chief executive officer for nonprofit corporation (and affiliates) providing residential, supported employment, and social club services for persons with long-term mental illness and/or homeless. Responsible for initiation, development, and oversight of 33 programs comprising a \$10,000,000 operating budget; proposal development resulting in more than \$3,000,000 in grants annually; oversight of 230 management and direct care professionals.

2003-Present Consultant

Providing consultation and technical assistance throughout the state to AIDS service and mental health organizations

1980 - 1982 Real Estate Broker, LeVaux Realty, Cambridge, MA

Successful sales and property management specialist.

1979 - 1980 Clinical Coordinator, Task Oriented Communities, Waltham, MA

Established and provided comprehensive rehabilitation services to approximately 70 mentally ill/mentally retarded clients. Hired, directly supervised, and trained a full-time staff of 20 residential coordinators. Developed community residences for the above clients in three Boston suburbs. Provided emergency consultation on a 24-hour basis to staff dealing with crisis management in six group homes and one sheltered workshop. Administrative responsibilities included some financial management, quality assurance, and other accountability to state authorities.

1978 - 1979 Faculty, Middlesex Community College, Bedford, MA

Instructor for an introductory group psychotherapy course offered through the Social Work Department.

1977 - 1979 Senior Social Worker/Assistant Director, Massachusetts Tuberculosis Treatment Center II, a unit of Middlesex County Hospital, Waltham, MA

Functioned as second in command and chief clinical supervisor for eight interdisciplinary team members, and implemented a six-month residential program for individuals afflicted with recurring tuberculosis and alcoholism. Provided group and individual therapy, relaxation training.

1976 Social Worker, Massachusetts Institute of Technology, Out-Patient Psychiatry, Cambridge, MA

Employed in full-time summer position providing out patient counseling to individuals and groups of the MIT community.

1971 - 1976 Program Counselor/Supervisor, Massachusetts Institute of Technology, MIT/Wellesley College Upward Bound Program, Cambridge and Wellesley, MA

Major responsibilities consisted of psycho educational counseling of Upward Bound students, supervision of tutoring staff, teaching, conducting evaluative research for program policy development.

EDUCATIONAL EXPERIENCE

- 1975 - 1977** Simmons College School of Social Work, Boston, MA
Cambridge-Somerville Community Mental Health Program, MSW
- 1971 - 1975** Clark University, Worcester, MA. Received Bachelor of Arts Degree in Psychology

LICENSES AND CERTIFICATIONS

- 1979** Licensed Real Estate Broker – Massachusetts
- 1989** Academy of Certified Social Workers – NASW
- 1990** Licensed Independent Clinical Social Worker - Massachusetts
- 1994** State of New Hampshire Certified Clinical Social Worker, MA LICSW

PLACEMENTS

- 1976 - 1977** Cambridge Hospital, In-Patient Psychiatry, Cambridge, MA
Individual, group, and family counseling to hospitalized patients.
- 1975 - 1976** Massachusetts Institute of Technology, Social Service Department, Cambridge, MA
Similar to above.

FIELD SUPERVISION

- 1983 - 1984** Antioch/New England Graduate School, Department of Professional Psychology, Keene, NH
- 1983 - 1984** Rivier College, Department of Psychology, Nashua, NH
- 1990 – 1991** Rivier College, Department of Psychology, Nashua, NH
- 1978 - 1979** Middlesex Community College, Social Work Associates Program, Bedford, MA

AWARDS

- Valedictorian Award received at high school graduation;
- National Institute of Mental Health Traineeship in Social Work
- University of New Hampshire Community Development 2003 Community Leader of the Year
- AIDS Housing Corporation, Peter Medoff Award, 2007
- NAMI-NH Award for Systems Change, 2007

MEMBERSHIPS

Immediate Past Chair, Governor's State Interagency Council/New Hampshire Policy Academy
Former Chair, Greater Nashua Continuum of Care
National Association of Social Workers
Board Member, Greater Nashua Housing & Development Foundation, Inc.
Former Member, Rotary Club, Nashua, NH

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

2005-present

Harbor Homes, Inc.

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

2003 – 2005

Community Council of Nashua

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

1999-2003

Community Council of Nashua

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

1990-2005

Rivier College

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, Marriage & Family Therapy, and Prescriptive Behavioral Management Techniques. Have facilitated several Independent Study courses in a variety of topics.

PRIVATE PRACTICE

1999-Present

Nashua, NH

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 NCQA 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

1998-1999

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

1990-1997

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 #100 – 1998

MASTERS ADDICTION COUNSELOR CERTIFICATION

1997

Ana Pancine

Objective	To obtain a position within an organization that offers me the opportunity to apply my experiences and academic expertise in the Financial field, and that provides me a chance to enhance my career knowledge.
Experience	<p>November 2007 – Present Harbor Homes Inc. Nashua, NH</p> <p>Financial Specialist</p> <ul style="list-style-type: none"> • Prepare budgets, Internal and external reports for several State & Federal projects. • Responsible for Financial monthly presentation to Board of Directors. • Ensure that financial reports are submitted for each grant. • Prepare budgets for all new/renewal grant proposals. • Provide financial reports for project managers. • Assist Controller position with month-end closings. • Responsible for Independent year-end audit.
	<p>December 2006 – November 2007 Hewlett-Packard Nashua, NH</p> <p>Service Resource Coordinator <i>December 2006 - Presently</i></p> <ul style="list-style-type: none"> • Accountable for all metric reports for the PER Event team in a monthly basis. • Responsible for revenue booking for two districts. • Accountable to update, present and distribute all reports related to the department. • Provide quality reports for upper management to review the progress of the team. • Responsible for all the billings for Latin America.
	<p>August 2001 – December 2006 Electronic Data Systems(EDS) Nashua, NH</p> <p>Americas Business Analyst <i>February 2004 – December 2006</i></p> <ul style="list-style-type: none"> • Manage ten cost centers with annual expenses of \$9m and revenue of \$18m, forecast on a quarterly basis, generate expense and revenue accruals, and establish budgetary guidelines for team members. • Variance reporting monthly for +/-1 % of forecasted to report to senior management. • Compile, reconcile, and obtain approval from customer for account metrics on a monthly basis. • Maintain global reporting of 200 employees with specific emphasis on geographic alignment, individual line counts, and organizational charts for account utilization and resource mapping • Approve time card for temporary employees, main contact for temporary agencies and responsible for hiring/releasing of temporary employees. • Main contact for all customers located in the Latin America territory. • Provided Financial Support for account closing.
	<p>Quality Controller/ System Support Administrator <i>June 2003 – February 2005</i></p> <ul style="list-style-type: none"> • Main contact between administrators and system support to prioritize technical errors. • Responsible for weekly, monthly and quarterly quality review reporting. • Responsible for weekly and monthly geography reports. • Maintain all employee related spreadsheets updated. • Manage quality review reports to ensure policies and procedures are being followed. • Mentoring new hires in their assigned positions. • Communicating with manager for tools necessary for team. • Categorize and notify managers of any performance issues. • Provide support for team members with problem solving.
	<p>Per Event Administrator <i>August 2001 – June 2003</i></p> <ul style="list-style-type: none"> • Responsible for billing revenue. • General office filing and organization. • Data Entry. • Assisting customer needs. • Solving any customer issues. • Revenue booking and customer assistance for Latin America/Caribbean territory. • Assistant and service provided for all customer located in the Latin America/Caribbean/Europe territory.

Skills	<ul style="list-style-type: none"> • Windows 98/2000/XP • SIFT – Financial Database • Microsoft Office • Fundware/F9 	<ul style="list-style-type: none"> • PEARS/CHAMP/WFM • NCAS/SAP • Fluent in Portuguese and Spanish.
Education	<p>Hesser College</p> <ul style="list-style-type: none"> • Bachelor of Science, Business Administration – Oct 2005 • Trained Medical Translator – Portuguese/Spanish <p>Southern NH University</p> <ul style="list-style-type: none"> • Pursuing MBA and Financial/International Business Certification. 	

References Available upon request

Brian Boyer

OBJECTIVE

Actively seeking an upper level management position utilizing experience and skills in delivering excellent work ethic and leadership, optimizing growth and management efficiency.

Highly motivated and dedicated individual, with dynamic leadership abilities, training expertise, and professionalism, delivering quality based growth and management procedures. Consistently achieving strong record of outperforming budget quotas, developing new business, and strengthening community relationships, with advanced knowledge of relationships, and energized by new challenges. Expert training, presentation, negotiation, sales and communication skills, with keen abilities in planning, goal setting, strategy implementation, and risk management.

*Advanced Management Skills ▫ Association Development ▫ High-Impact Marketing
▫ Presenter and Trainer ▫ Strong Community Relationships ▫ Risk Management*

QUALIFICATIONS

- Well-rounded and diligent job executer; focus and energetic, able to establish rapport with, and elicit loyalty from, superiors, colleagues, and subordinates
- Extensive experience in the human Services industry, community outreach and business development
- Proven success in initiating, promoting, and maintaining strong interpersonal relations with the ability to transact in courteous, professional, and tactful manner; thrive in both independent and group work environments
- Detail-oriented, efficient, and organized professional, with extensive experience in management in highly stressful and fast-paced environments, with emerging and multiple responsibilities
- Experienced trainer in the areas of effective communication, relationship building, team building, development, risk prevention, and behavior management strategies
- Certified instructor in conflict resolution, crisis intervention, effective coaching, and American Red Cross First Aid/CPR

PROFESSIONAL EXPERIENCE

Harbor Homes Inc ■ NASHUA, NH

PROGRAM MANAGER

Oct 2008- Present

- Responsible for implementing a collaborative grant program with the State of NH which identifies consumers throughout the state for housing opportunities
- Property, clinical and residential manager for over 70 residents, managing 15 staff and 5 different programs
- Develop and Manage all program budgets
- Create strong relationships with health providers and property managers throughout the state in order to increase referrals
- Exceeded budget goals, and increased program revenue in all programs
- Managed all compliance activities and risk analysis

Somerset Swim and Fitness ■ NASHUA, NH

MEMBERSHIP & SALES DIRECTOR

Aug 2007- Sept 2008

- Responsible for the company's daily operations with an emphasis on sales, B2B sales, and membership growth
- Leverage and escalate involvement in the community and successfully expand club's visibility

Brian Boyer

- Created environment conducive to growth through staff trainings and the development and promotion of high level of customer service
- Exceeded sales goals, and increased program participation in all areas of the club
- Responsible for facility, risk, fiscal and budget management

YMCA of Greater Nashua ■ NASHUA, NH
SENIOR COMMUNITY OUTREACH DIRECTOR

Oct 2000-Aug 2007

- Primary responsibility to increase membership and program participation through increasing Business relationships, and community collaborations including the development of new and increasing existing financial support
- Under the management of the Associate Executive Director, responsible for developing, supporting and managing over 100 staff in all areas of programming
- Scheduled, coordinated, monitored and assessed all association trainings
- Created, marketed, budgeted, and evaluated new and existing programs and development initiatives
- Generated a new department with \$150,000 annual income and assisted other departments by tripling the registrations of targeted membership in the first two years
- Defined needs of the community through extensive networking and collaborating with community leaders including government agencies, non-profits, community groups, and task forces
- Produced hundreds of business and personal relationships in the community resulting to an affluent balance of the budget
- Exceeded goals in the area of fund raising, and served as a leader for the Nashua YMCA in grant writing and development and strategic planning

Community Council of Nashua, N. H., Inc. ■ NASHUA, NH
FACILITATOR / SENIOR CASE MANAGER / TRAINER

Oct 1995-Present

- Work as part-time educator, trainer, and facilitator providing effective approach to working with youth and families
- Provided training to staff and community members in the areas of conflict resolution, effective communication, and effective program development strategies
- Provide intensive Case Management and Mental Illness Management and support to children and their families
- Served on the quality assurance and risk management teams
- Coordinated with other members of the Intensive Community-Based Support Systems Team, therapists, psychiatrists, families, and community members regarding problem solving, designing treatment plans, and mental illness management

EDUCATION

Master's Level Coursework

Rivier College, Nashua, NH: 2000

Bachelor of Arts in Sociology

University of New Hampshire, Durham, NH: 1994

**FULL SALARY AMOUNT FOR EACH OF THE KEY EMPLOYEES,
ALONG WITH THE PERCENTAGE OF EACH SALARY TO BE PAID FROM
THIS AWARD**

<u>Name:</u>	<u>Position:</u>	<u>Salary:</u>	<u>% to be Paid From this Award:</u>
Peter Kelleher	Executive Director	\$115,856	1.1%
Carol Furlong	Assistant Director	\$93,496	1.1%
Ana Pancine	Financial Specialist	\$ 50,000	3.0%
Brian Boyer	Program Manager	\$40,019	20.0%

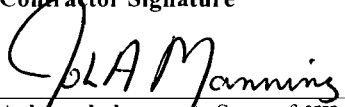

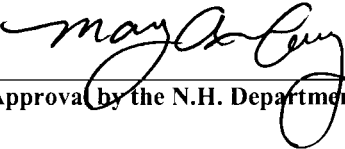

Subject: Continuum of Care Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Southwestern Community Services, Inc.		1.4 Contractor Address 63 Community Way P.O. Box 603 Keene, NH 03431-0603	
1.5 Contractor Phone Number (603) 352-7512	1.6 Account Number 010-042-7927-102-0731	1.7 Completion Date March 31, 2015	1.8 Price Limitation \$84,696.00
1.9 Contracting Officer for State Agency Eric D. Borrin		1.10 State Agency Telephone Number (603) 271-9558	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory John A. Manning Acting Chief Executive Officer	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Cheshire</u> On <u>3/10/14</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.			
1.14 Signature of Notary Public or Justice of the Peace 			
1.15 Name and Title of Notary or Justice of the Peace Jill A. Tomlin, Notary			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory MARY ANN COONEY Associate Commissioner	
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>3-24-14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

gm
3/10/14

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: Jm
Date: 3/10/14

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: Jm
Date: 3/10/14

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

Continuum of Care Program

1. **CONDITIONAL NATURE OF AGREEMENT**

1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care Grant. The State has applied for the Continuum of Care Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the Continuum of Care Grant.

2. **SERVICES**

- 2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, the Contractor shall provide a permanent housing program that shall serve sixteen (16) homeless individuals with disabilities.
- 2.2. The goal of this program is to facilitate the movement of homeless individuals to permanent housing and maximum self-sufficiency.
- 2.3. To be eligible for contract services, individuals must be homeless as defined in HUD regulations. The Contractor must obtain and retain appropriate documentation.
- 2.4. The Contractor shall provide these services according to HUD regulations as outlined in Public Law 102-550, 24 CFR Part 578 Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program interim rule, and other written HUD policies and directives.
- 2.5. Each program participant shall have an employment assessment and employment goals included in the individual service plan, as appropriate.

3. **PROGRAM REPORTING REQUIREMENTS**

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report: Within thirty (30) days after the Completion Date, an Annual Performance Report (APR) shall be submitted to the BHHS that summarizes the results of the Project Activities, showing in particular how the Project Activities have been performed. The Annual Performance Report shall be in the form required or specified by the State.

3.1.2. Other Reports as requested by the State.

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Current NH HMIS policy can be accessed electronically through the following website: <http://www.nh-hmis.org>.



Exhibit A

3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by the BHHS.

4. CONTRACT ADMINISTRATION

- 4.1. The Contractor shall have appropriate levels of staff attend all meetings or trainings requested by the BHHS. To the extent possible, BHHS shall notify the contractor of the need to attend such meetings five working days in advance of each meeting.
- 4.2. The Bureau Administrator of BHHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with contractor performance.
- 4.3. The Contractor shall inform BHHS of any staffing changes.
- 4.4. Contract records shall be retained for a period of five (5) years following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.
- 4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and the BHHS.

5. FINANCIAL

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

5.1.1. Operating Expenses

5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.

5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter- and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

5.1.2. Supportive Services

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

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Exhibit A

- 5.1.2.2. Eligible costs include mental health services, case management services, salaries of Contractor staff providing supportive services, reasonable one-time moving costs (truck rental and hiring a moving company), child-care costs for establishing and operating child care, and providing child-care vouchers for children from families experiencing homelessness (including providing meals and snacks and comprehensive and coordinated developmental activities), education services, employment assistance and job training skills, housing search and counseling services, legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing), outpatient health services, transportation services, and utility deposits.
- 5.1.2.3. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.

5.1.3. Rental Assistance

- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
- 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
- 5.1.3.3. Long-term rental assistance must be administered by someone other than the Contractor. The Contractor must have a Memorandum of Understanding (MOU), with a State, unit of general local government, or a public housing agency.
- 5.1.3.4. Short or medium term rental assistance provided under the Rapid ReHousing program component is not subject to requirements in 578.51 (b), and is not required to be administered by a state, unit of local government, or public housing agency.
- 5.1.3.5. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
- 5.1.3.6. Rental assistance will only be provided for a unit if the rent is reasonable. The contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.



Exhibit A

- 5.1.3.7. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant.
 - 5.1.3.8. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
 - 5.1.3.9. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
 - 5.1.3.10. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and sub recipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid ReHousing program component must be tenant based rental assistance.
 - 5.1.3.11. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
 - 5.1.3.12. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
 - 5.1.3.13. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative Costs
- 5.1.4.1. Administrative costs include: Preparing program budgets, schedules and amendments, developing systems for assuring compliance with program requirements, developing interagency agreements and agreements with sub recipients and contractors to carry out program activities, preparing reports and other documents related to the program for submission to HUD, evaluating program results against stated objectives, travel costs incurred for official business in carrying out the program, administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services), and other costs for goods and services required for

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administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

- 5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).
 - 5.2.1. The contractor must match all grant funds except for leasing funds, with no less than twenty-five percent of funds or in-kind contributions from other sources.
 - 5.2.2. Match requirements are to be documented with each payment request.
- 5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 4.1. The Contractor must have written approval from the State prior to billing for any other expenses.
- 5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 583.315). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.
- 5.5. The contractor shall have any staff charged in full or part to this contract or counted as match complete weekly or bi-weekly timesheets.

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Exhibit B

METHOD AND CONDITIONS PRECEDENT TO PAYMENT

Continuum of Care Program

The following financial conditions apply to the scope of services as detailed in Exhibit A – Continuum of Care Program.

This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund: Not applicable
Federal Funds:
CFDA #: 14.235
Federal Agency: U.S. Department of Housing & Urban Development
Program Title: Continuum of Care Program
Total Amount Continuum of Care Program;
April 1, 2014 – March 31, 2015: not to exceed \$84,696.00
Funds allocation under this agreement for Continuum of Care Program;
Supportive Services: \$32,938.00
Operating Cost: \$49,588.00
Administrative Costs: \$2,170.00
Total program amount: \$84,696.00

1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, in an amount not to exceed and for the time period specified above.

2. REPORTS

As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

2.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with the regulations that implement OMB Circular A-133. Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State.

2.2. Where the Contractor is not subject to the requirements of OMB Circular A-133, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.



Exhibit B

3. PROJECT COSTS: PAYMENT SCHEDULE; REVIEW BY THE STATE

- 3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in OMB Circular A-87 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of OMB Circular A-122.
- 3.2. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount not to exceed as specified above. Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor shall provide additional financial information if requested by the State to verify expenses.
- 3.3. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture pursuant to 24 CFR Subsection 576.55. The funds authorized to be expended under this Agreement shall be used only for operations, supportive services, leasing, rental assistance and administration or reimbursement for expenditures for operations, supportive services, leasing, and rental assistance and administration, provided by the Contractor for the project period and operating years of the Continuum of Care Program as approved by HUD and in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578.

4. USE OF GRANT FUNDS

- 4.1. The State agrees to provide payment for actual costs, up to the not to exceed amount for the Continuum of Care Program as specified in this Exhibit, as defined by HUD under the provisions of P.L. 102-550 and applicable regulations.
- 4.2. The Contractor may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval from the State.

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Exhibit B

4.3. Conformance to OMB Circular A-110: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in OMB Circular A-110.

5. CONTRACTOR FINANCIAL MANAGEMENT SYSTEM

5.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.

5.2. The Contractor shall maintain a financial management system that complies with Attachment G of A-102, "Standards of Contractor Financial Management Systems" or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2 of this Agreement.

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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;



- 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



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.

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CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

New Hampshire Department of Health and Human Services
Exhibit D



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

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

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

Contractor Name: Southwestern Community Services, Inc.

3/10/14
Date

John A. Manning
Name: John A. Manning
Title: Acting 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

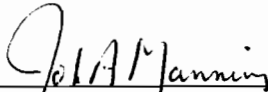
The undersigned certifies, to the best of his or her knowledge and belief, that:

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-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: Southwestern Community Services, Inc.

3/10/14
Date


Name: John A. Manning
Title: Acting 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

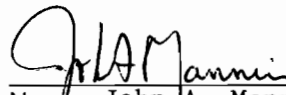
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - 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: Southwestern Community Services, Inc.

3/10/14
Date


Name: John A. Manning
Title: Acting 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: Southwestern Community Services, Inc.

3/10/14
Date


Name: John A. Manning
Title: Acting Chief Executive Officer



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

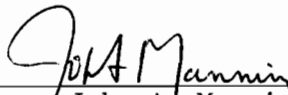
Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, 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: Southwestern Community Services, Inc.

3/10/14
Date


Name: John A. Manning
Title: Acting Chief Executive Officer



HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

Definitions

1. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D, Sec. 13400.
2. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
3. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
4. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
5. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
6. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
7. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
8. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
9. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
10. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
11. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
12. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
13. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
14. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
15. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
16. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

Jm

3/10/14



Use and Disclosure of Protected Health Information

1. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. Business Associate may use or disclose PHI:
 - 2.1. For the proper management and administration of the Business Associate;
 - 2.2. As required by law, pursuant to the terms set forth in paragraph d. below;
 - 2.3. For data aggregation purposes for the health care operations of Covered Entity.
3. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
4. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.
5. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

Obligations and Activities of Business Associate

1. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
2. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
3. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
4. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
5. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

Jm

3/10/14



6. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
7. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
8. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
9. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
10. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
11. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

Obligations of Covered Entity

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

Termination for Cause

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



Miscellaneous

1. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
2. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
3. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
4. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
5. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
6. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

Contractor Name: Southwestern Community Services, Inc.

3/10/14
Date

Name: John A. Manning
Title: Acting Chief Executive Officer

State Agency Name:
NH DHHS

3/18/14
Date

Name: Mary Ann Cooney
Title: Associate Commissioner



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

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

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

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

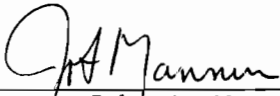
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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

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

Contractor Name: Southwestern Community Services, Inc.

3/10/14
Date


Name: John A. Manning
Title: Acting 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: 081251381

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

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:

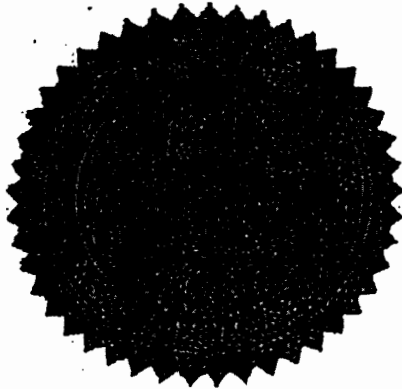
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

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

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SOUTHWESTERN COMMUNITY SERVICES, INC. is a New Hampshire nonprofit corporation formed May 19, 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 5th day of June A.D. 2013

Handwritten signature of William M. Gardner in cursive script.

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

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

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

2. The following is a true copy of two resolution duly adopted at a meeting of the Board of Directors of the Agency
duly held on 4/27/12 :
(Date)

RESOLVED: That the Acting 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, 20 14 .
(Date Contract Signed)

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

of the Agency.

Elaine M. Amer
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Cheshire

The forgoing instrument was acknowledged before me this 10th day of March, 20 14 ,

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

Jill A. Tomlin
(Notary Public/Justice of the Peace)



12418

Am
3/10/14

Mission Statement

Southwestern Community Services

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

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

Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

www.rlbco.com
accting@rlbco.com

41 Bates Street
Portland, Maine 04103

Tel: (207) 775-1717
Fax: (207) 775-7103

INDEPENDENT AUDITORS' REPORT

June 20, 2012

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

We have audited the accompanying combined statements of financial position of Southwestern Community Services, Inc., as of May 31, 2011 and 2010, and the related combined statements of activities, functional expenses, and cash flows for the years then ended. These combined financial statements are the responsibility of Southwestern Community Services, Inc.'s management. Our responsibility is to express an opinion on these combined 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 combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Southwestern Community Services, Inc. as of May 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2012, on our consideration of Southwestern Community Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Ron L. Beaulieu & Co.

Certified Public Accountants

Southwestern Community Services, Inc.

**Independent Auditors' Report and
Management's Financial Statements**

May 31, 2011

Ron L. Beaulieu & Company
CERTIFIED PUBLIC ACCOUNTANTS

SOUTHWESTERN COMMUNITY SERVICES, INC.

MAY 31, 2011

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SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
MAY 31,

	<u>2011</u>	<u>2010</u>
CURRENT ASSETS		
Cash	\$ 122,596	\$ 86,057
Accounts receivable (net)	1,879,509	2,017,522
Contracts receivable (net)	-	29,787
Prepaid rent	1,705	600
Total current assets	<u>2,003,810</u>	<u>2,133,966</u>
FIXED ASSETS		
Real estate	8,460,141	8,445,412
Vehicles and equipment	992,324	828,636
Furniture and fixtures	149,798	149,798
Total fixed assets	<u>9,602,263</u>	<u>9,423,846</u>
Less - accumulated depreciation	<u>(2,081,030)</u>	<u>(1,740,425)</u>
Net fixed assets	<u>7,521,233</u>	<u>7,683,421</u>
OTHER ASSETS		
Notes receivable, less current portion (net)	174,019	174,196
Investments	100,500	242,500
Due from related limited partnerships	661,578	664,703
Cash escrow funds	125,375	137,239
Other assets	729	89,535
Total other assets	<u>1,062,201</u>	<u>1,308,173</u>
TOTAL ASSETS	<u>\$ 10,587,244</u>	<u>\$ 11,125,560</u>
CURRENT LIABILITIES		
Accounts payable	616,626	1,017,679
Contracts payable	-	260,121
Accrued expenses	351,931	356,578
Other current liabilities	8,592	8,586
Deferred revenue	761,965	797,703
Line of credit	249,953	249,934
Note payable	-	117,000
Current portion of long-term debt	197,725	201,163
Total current liabilities	<u>2,186,792</u>	<u>3,008,764</u>
LONG-TERM DEBT, less current portion	<u>5,302,013</u>	<u>5,433,904</u>
TOTAL LIABILITIES	<u>7,488,805</u>	<u>8,442,668</u>
NET ASSETS		
Unrestricted	<u>3,098,439</u>	<u>2,682,892</u>
TOTAL NET ASSETS	<u>3,098,439</u>	<u>2,682,892</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,587,244</u>	<u>\$ 11,125,560</u>

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENTS OF ACTIVITIES
YEARS ENDED MAY 31,

	<u>2011</u>	<u>2010</u>
REVENUES:		
Grants and contracts	\$ 10,498,721	\$ 13,524,369
Program service fees	2,399,468	2,168,716
Rental income	670,405	527,461
Developer income	568,024	365,353
Contributions	473,434	209,436
Interest income	191	1,117
Miscellaneous	482,483	241,095
In-kind contributions	487,812	478,625
TOTAL REVENUES	<u>15,580,538</u>	<u>17,516,172</u>
EXPENSES:		
Program services:		
Home energy programs	5,069,553	7,471,691
Education and nutrition	2,397,493	2,735,557
Special needs	783,970	1,051,988
Family services	-	44,327
Housing and homeless services	4,435,755	2,244,985
Economic development services	496,633	260,291
Other real estate	-	4,031
Other programs	615,374	2,420,440
Total program services	<u>13,798,778</u>	<u>16,233,310</u>
Support services:		
Management and general	1,830,831	1,430,700
Total support services	<u>1,830,831</u>	<u>1,430,700</u>
TOTAL EXPENSES	<u>15,629,609</u>	<u>17,664,010</u>
NON-OPERATING REVENUES AND EXPENSES		
Gain on disposal of fixed assets	122,118	-
Gain on sale of investments	342,500	-
TOTAL NON-OPERATING REVENUES AND EXPENSES	<u>464,618</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	415,547	(147,838)
NET ASSETS - JUNE 1	<u>2,682,892</u>	<u>2,830,730</u>
NET ASSETS - MAY 31	<u>\$ 3,098,439</u>	<u>\$ 2,682,892</u>

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2011

	Program Services				
	Home Energy Programs	Education and Nutrition	Special Needs	Family Services	Housing and Homeless Services
Payroll	\$ 603,061	\$ 988,846	\$ 461,170	\$ -	\$ 1,342,972
Payroll taxes	62,484	86,134	34,707	-	156,242
Payroll benefits	164,025	319,976	140,483	-	430,238
Retirement	47,716	57,216	18,610	-	114,621
Advertising	-	2,208	-	-	2,280
Bank charges	-	-	-	-	-
Computer cost	4,080	-	-	-	-
Contractual	620,355	14,797	3,850	-	549,990
Depreciation	7,902	27,959	3,520	-	128,120
Development costs	-	-	-	-	-
Dues/registrations	-	837	165	-	1,916
Duplicating	6,094	-	880	-	9,359
Insurance	8,583	8,298	5,508	-	86,116
Interest	-	-	-	-	284,488
Management fees	-	-	-	-	-
Meeting & conference	3,378	-	150	-	18,106
Miscellaneous expense	9,563	956	2,166	-	28,644
Equipment purchases	9,096	160	-	-	17,955
Office expense	44,961	12,772	637	-	28,648
Postage	15,769	-	180	-	11,468
Professional	500	-	-	-	15,779
Staff development & training	23,141	63	1,549	-	97,770
Subscriptions	-	-	-	-	100
Telephone	5,584	7,144	4,404	-	10,758
Fax	2	-	30	-	1,429
Travel	8,755	20,105	1,926	-	34,909
Vehicle	14,696	1,337	13,369	-	65,227
Space costs	38,588	221,564	36,341	-	340,010
Direct client assistance	3,286,978	-	-	-	6,392
Other direct program costs	84,242	139,309	54,325	-	652,218
In-kind expenses	-	487,812	-	-	-
TOTAL EXPENSES	\$ 5,069,553	\$ 2,397,493	\$ 783,970	\$ -	\$ 4,435,755

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2011

	Program Services			Support Services	Total Expenses
	Economic Development Programs	Other Real Estate	Other Programs	Management and General	
Payroll	\$ 230,391	\$ -	\$ 227,339	\$ 818,377	\$ 4,672,156
Payroll taxes	28,330	-	17,840	77,940	463,677
Payroll benefits	59,627	-	66,396	201,589	1,382,334
Retirement	14,714	-	5,958	69,250	328,085
Advertising	719	-	71	-	5,278
Bank charges	-	-	-	-	-
Computer cost	935	-	(501)	7,599	12,113
Contractual	-	-	3,000	167,145	1,359,137
Depreciation	-	-	-	172,018	339,519
Development costs	-	-	-	-	-
Dues/registration	-	-	8,333	5,570	16,821
Duplicating	983	-	9	26	17,351
Insurance	1,701	-	1,724	(15,453)	96,477
Interest	-	-	-	13,411	297,899
Management fees	-	-	-	-	-
Meeting & conference	-	-	10,909	31,851	64,394
Miscellaneous	1,490	-	141,091	45,277	229,187
Equipment purchases	358	-	2,825	1,337	31,731
Office expense	3,379	-	9,482	26,486	126,365
Postage	1,329	-	4,631	13	33,390
Professional	-	-	-	46,563	62,842
Staff development & training	1,761	-	1,450	27,728	153,462
Subscriptions	-	-	800	1,972	2,872
Telephone	2,758	-	1,142	4,260	36,050
Fax	16	-	29	-	1,506
Travel	16,812	-	11,901	7,166	101,574
Vehicle	-	-	41,416	396	136,441
Space costs	52,130	-	47,458	76,819	812,910
Direct client assistance	35,824	-	1,000	-	3,330,194
Other direct program costs	43,376	-	11,071	43,491	1,028,032
In-kind expenses	-	-	-	-	487,812
TOTAL EXPENSES	\$ 496,633	\$ -	\$ 615,374	\$ 1,830,831	\$ 15,629,609

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2010

	Program Services				
	Home Energy Programs	Education and Nutrition	Special Needs	Family Services	Housing and Homeless Services
Payroll	\$ 716,519	\$ 1,196,302	\$ 567,559	\$ 23,890	\$ 546,580
Payroll taxes	61,315	108,020	50,276	2,391	91,703
Payroll benefits	120,232	319,542	174,271	6,773	308,173
Retirement	42,303	73,243	19,255	342	83,262
Advertising	262	2,398	-	-	1,863
Bank charges	-	-	-	-	-
Computer cost	25,331	34,284	8,660	1,402	32,492
Contractual	868,265	15,549	13,265	-	168,257
Depreciation	7,902	36,527	3,520	-	37,947
Development costs	-	-	-	-	-
Dues/registrations	-	1,312	1,109	-	1,914
Duplicating	5,952	12,063	264	20	10,624
Insurance	11,059	10,757	3,123	-	34,311
Interest	-	19,776	1,429	-	3,218
Management fees	-	-	-	-	-
Meeting & conference	4,425	12,976	55	-	10,118
Miscellaneous expense	17,388	415	3,951	2,900	4,524
Equipment purchases	1,414	11,053	-	-	5,627
Office expense	63,668	9,971	4,128	904	24,442
Postage	12,985	3,089	544	8	9,969
Professional	500	-	-	-	5,295
Staff development & training	36,568	670	1,350	-	30,449
Subscriptions	-	(125)	-	-	-
Telephone	17,428	20,163	12,736	123	44,244
Fax	1,265	1,099	188	17	1,398
Travel	2,534	30,740	71,623	3,938	15,711
Vehicle	10,978	1,325	13,772	-	31,976
Space costs	47,245	105,283	40,105	1,535	197,971
Direct client assistance	5,362,796	3,660	-	-	278,740
Other direct program costs	33,357	226,840	60,805	84	264,177
In-kind expenses	-	478,625	-	-	-
TOTAL EXPENSES	\$ 7,471,691	\$ 2,735,557	\$ 1,051,988	\$ 44,327	\$ 2,244,985

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2010

	Program Services			Support Services	Total Expenses
	Economic Development Programs	Other Real Estate	Other Programs	Management and General	
Payroll	\$ 108,859	\$ -	\$ 525,420	\$ 658,021	\$ 4,343,150
Payroll taxes	8,749	-	90,714	49,029	462,197
Payroll benefits	22,159	-	225,014	150,110	1,326,274
Retirement	5,522	-	52,623	51,788	328,338
Advertising	211	-	1,152	-	5,886
Bank charges	-	-	-	-	-
Computer cost	1,105	-	122,863	22,641	248,778
Contractual	-	-	114,141	-	1,179,477
Depreciation	-	3,712	252,486	-	342,094
Development costs	-	-	-	-	-
Dues/registrations	-	-	464	10,840	15,639
Duplicating	397	-	1,166	5,682	36,168
Insurance	-	-	46,414	41,854	147,518
Interest	-	-	58,130	-	82,553
Management fees	-	-	-	-	-
Meeting & conference	-	-	14,828	44,138	86,540
Miscellaneous	-	-	190,021	27,889	247,088
Equipment purchases	-	-	19,296	-	37,390
Office expense	1,685	-	14,404	38,354	157,556
Postage	725	44	29,636	4,197	61,197
Professional	-	-	2,159	37,246	45,200
Staff development & training	600	-	24,410	20,930	114,977
Subscriptions	-	-	599	2,743	3,217
Telephone	3,786	-	65,879	11,527	175,886
Fax	133	-	239	245	4,584
Travel	8,955	-	34,064	5,298	172,863
Vehicle	-	-	35,044	20,559	113,654
Space costs	1,794	-	269,407	227,609	890,949
Direct client assistance	95,611	-	-	-	5,740,807
Other direct program costs	-	275	229,867	-	815,405
In-kind expenditures	-	-	-	-	478,625
TOTAL EXPENSES	\$ 260,291	\$ 4,031	\$ 2,420,440	\$ 1,430,700	\$ 17,664,010

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED MAY 31,

	<u>2011</u>	<u>2010</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 415,547	\$ (147,838)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	339,519	342,094
(Gain) / loss on sale of fixed assets	(122,118)	-
(Gain) / loss on sale of investments	(342,500)	-
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable	138,013	(506,542)
(Increase) decrease in contracts receivable	29,787	9,043
(Increase) decrease in prepaid rent	(1,105)	-
(Increase) decrease in due from related limited partnerships	3,125	(86,338)
(Increase) decrease in escrow funds	11,864	(19,141)
(Increase) decrease in other assets	88,806	(88,568)
Increase (decrease) in accounts payable	(401,053)	332,389
Increase (decrease) in contracts payable	(260,121)	94,228
Increase (decrease) in accrued expenses	(4,647)	213,225
Increase (decrease) in security deposits	6	3,985
Increase (decrease) in deferred revenue	(35,738)	147,463
Increase (decrease) in line of credit	20	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(140,595)</u>	<u>294,000</u>
INVESTING ACTIVITIES		
Purchase of fixed assets	(252,841)	(226,866)
Proceeds from sale of fixed assets	540,128	-
(Increase) decrease in notes receivable	177	3,065
Proceeds from sale of investments	142,000	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>429,464</u>	<u>(223,801)</u>
FINANCING ACTIVITIES		
Proceeds from long-term debt	86,254	667,613
Payments on long-term debt	(221,584)	(809,735)
Payments on note payable	(117,000)	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(252,330)</u>	<u>(142,122)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	36,539	(71,923)
CASH AND CASH EQUIVALENTS - JUNE 1	<u>86,057</u>	<u>157,980</u>
CASH AND CASH EQUIVALENTS - MAY 31	<u>\$ 122,596</u>	<u>\$ 86,057</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	<u>\$ 297,899</u>	<u>\$ 82,553</u>

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Southwestern Community Services, Inc. is an umbrella corporation that offers an array of services to the elderly, disabled, and low-income households in the Cheshire and Sullivan counties of New Hampshire. Various programs provide assistance in the areas of education, child development, employment, energy and its conservation, housing, and homelessness prevention. Services are provided through Southwestern Community Services, Inc., and its related corporations, SCS Management Corp. and SCS Housing, Inc. The organization is committed to providing respectful support service and assisting individuals and families in achieving self-sufficiency by helping them overcome the causes of poverty.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and accordingly reflect all significant receivables, payables, and other liabilities. The financial statements include the accounts of Southwestern Community Services, Inc., SCS Management Corp., and SCS Housing, Inc. All significant intercompany items and transactions have been eliminated from the basic financial statements.

Fixed asset acquisitions

Fixed assets acquired by the Corporation are capitalized at cost and depreciated over their estimated useful lives on a straight-line or accelerated method. It is the policy of the Corporation to capitalize all fixed assets over \$5,000.

Deferred Revenue

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

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

None of the estimates used in preparing the financial statements are considered significant.

Cash equivalents

For the purpose of the statement of cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

The contracts receivable allowance for doubtful accounts is based upon management's assessment of the credit history with customers having outstanding balances and current relationships with them.

The accounts receivable allowance for doubtful accounts is based upon an analysis of the aged accounts receivable listing.

The notes receivable allowance for doubtful accounts is based upon an analysis of the aged notes receivable listing.

In-kind Support

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

Advertising

The Corporation uses advertising to promote programs among the people it serves. The production costs of advertising are expensed as incurred.

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010

NOTE 2 - CASH

Southwestern Community Services, Inc., maintains its cash balances in various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 for 2011 and 2010. The Corporation's uninsured cash balances totaled \$0 and \$0, respectively. It is the opinion of management that the solvency of the referenced financial institution is of no particular concern at this time. In addition, the agency utilizes sweep accounts and constantly monitors balances to minimize risks. Finally, direct federal funds such as Head Start are drawn down as needed, and are therefore not a substantial part of the cash balances at any one time.

NOTE 3 - ACCOUNTS RECEIVABLE AND CONTRACTS RECEIVABLE

Accounts and contracts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Allowance for doubtful accounts was estimated at \$0 and \$0, on May 31, 2011 and 2010.

NOTE 4 - NOTES RECEIVABLE

Notes receivable are stated at the amount that is expected to be collected at year-end.

The allowance for loan loss has been estimated at \$0 and \$0 as of May 31, 2011 and 2010, respectively.

NOTE 5 - INVESTMENTS

Investments are reported at their fair value at year end. Although the Corporation 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 year end.

The fair value measurement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy has three levels which are described below.

Level 1 Fair Value Measurements

The fair values of investments are based on the quoted price reported on the active market for identical assets.

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010

NOTE 5 - INVESTMENTS (CONTINUED)

Level 2 Fair Value Measurements

The fair values of investments are based on the quoted price reported on the active market for similar assets, or they are based on the quoted price reported on a market that is not active for identical or similar assets.

Level 3 Fair Value Measurements

The fair value of certain investments is not actively traded and significant other observable inputs are not available. In this case, management decides what the best valuation technique to use is.

The investments of the Corporation consisted of the following as of May 31,:

Description	Cost	Fair Value	May 31, 2011		
			Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant un-observable inputs (Level 3)
Limited partnership	100,500	100,500	-	-	100,500
Total	<u>\$ 100,500</u>	<u>\$ 100,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,500</u>

Description	Cost	Fair Value	May 31, 2010		
			Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant un-observable inputs (Level 3)
Limited partnership	242,500	242,500	-	-	242,500
Total	<u>\$ 242,500</u>	<u>\$ 242,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,500</u>

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010

NOTE 5 - INVESTMENTS (CONTINUED)

The activities of the Corporation's investments account are summarized as follows:

	<u>2011</u>	<u>2010</u>
Fair Value - July 1	\$ 242,500	\$ 125,500
Investment income	-	-
Investment fees	-	-
Additions	-	117,000
Distributions	(484,500)	-
Realized gains (losses)	342,500	-
Unrealized gains (losses)	-	-
Fair Value - June 30	<u>\$ 100,500</u>	<u>\$ 242,500</u>

NOTE 6 - LINE OF CREDIT

An available \$250,000 revolving line of credit existed at years ending May 31, 2011 and 2010. Interest was charged at 4.00% and the outstanding balance at years end was \$249,953 and \$249,934, respectively.

NOTE 7 - LONG-TERM DEBT

Long-term debt consisted of the following as of May 31,:

	<u>2011</u>	<u>2010</u>
1.00% mortgage payable to NH Housing Finance Authority, secured by real estate, payable in monthly installments of \$891 including interest through 2032.	\$ 215,941	\$ 224,427
8.63% mortgage payable to bank, secured by real estate, payable in monthly installments of \$502 including interest through 2018.	-	26,302
Non-interest bearing mortgage payable to Community Development Finance Authority, secured by real estate, quarterly principal payments based on operating income formula applied to affordable housing portion of the specified real estate.	32,147	32,147
8.00% mortgage payable to bank, secured by real estate, payable in monthly installments of \$682 including interest through 2008. Balloon type note.	-	72,255

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010

NOTE 7 - LONG-TERM DEBT (CONTINUED)

	<u>2011</u>	<u>2010</u>
Variable interest rate note payable to bank, secured by real estate, payable in monthly installments of \$959 including interest through March 2021.	\$ 95,467	\$ 103,439
0.00% mortgage payable to NH Housing Finance secured by real estate. Payment is deferred for 30 years or until project is sold or refinanced.	250,000	250,000
0.00% mortgage payable to NH Housing Finance secured by real estate. Payment is deferred for 30 years or until project is sold or refinanced.	408,300	408,300
0.00% mortgage payable to NH Housing Finance secured by real estate. Payment is deferred for 30 years or until project is sold or refinanced.	550,000	550,000
8.00% note payable to bank, secured by equipment, payable in monthly installments of \$1,423 including interest through 2012.	1,536	17,695
8.00% note payable to bank, secured by equipment, payable in monthly installments of \$1,423 including interest through 2012.	1,536	17,695
9.40% note payable to bank, secured by vehicle, payable in monthly installments of \$366 including interest through 2012.	1,421	5,474
9.95% note payable to bank, secured by vehicle, payable in monthly installments of \$572 including interest through 2012.	2,370	8,995
10.70% note payable to bank, secured by vehicle, payable in monthly installments of \$393 including interest through 2012.	2,619	6,825
7.25% mortgage payable to bank, secured by real estate, payable in monthly installments of \$2,246 including interest through 2017.	249,998	259,275
10.00% note payable to bank, secured by vehicle, payable in monthly installments of \$407 including interest through 2013.	6,747	10,757
0.00% note payable to bank secured by vehicle, payable in monthly installments of \$590 through 2013.	9,435	16,511
0.00% note payable to bank secured by vehicle, payable in monthly installments of \$421 through 2013.	7,150	12,197

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010

NOTE 7 - LONG-TERM DEBT (CONTINUED)

	2011	2010
4.375% note payable to Rural Housing Service, secured by real estate, payable in monthly installments of \$11,050 including interest through 2049.	\$ 2,453,654	\$ 2,367,400
0.00% note payable to Cheshire County, secured by real estate, payment is not necessary unless the Corporation defaults on the contract.	460,000	460,000
4.00% note payable to Railroad Land Development, LLC, secured by real estate, payable in interest only annual installments with a final balloon payment of entire principal balance in March of 2013.	63,000	63,000
4.00% note payable to Monadnock Economic Development Corporation, secured by real estate, payable in interest only annual installments with a final balloon payment of entire principal balance in March of 2013.	45,000	45,000
14.65% note payable to GMAC, secured by personal property, payable in monthly installments of \$299 including interest through 2014.	7,682	9,760
5.2% note payable to bank, secured by real estate payable in \$2,769 monthly installments including interest through May of 2014. Beginning in May 2014 payments and interest will be adjusted every five years based on remaining principal balance and "Classic Advantage Rate" provided by Federal Home Loan Bank of Boston through May 2039.	485,332	492,746
Note payable to William A. Stowe, secured by real estate, payable in monthly installments of \$600. Of the \$600 payment, \$300 will be applied to interest and \$300 to principal until the balance is paid in full.	-	149,400
6.99% note payable to bank secured by vehicle, payable in monthly installments of \$560 through 2014.	20,403	25,467
5.95% note payable to a bank, secured by real estate, payable in monthly installments of \$934 including interest through 2031.	130,000	-
	\$ 5,499,738	\$ 5,635,067
Current portion	197,725	201,163
Long-term portion	5,302,013	5,433,904
	\$ 5,499,738	\$ 5,635,067

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Principal maturities of long-term debt in each of the next five years, are as follows:

2012	\$	197,725
2013		71,321
2014		67,429
2015		68,402
2016		71,476

NOTE 8 - UNRESTRICTED NET ASSETS

None of the Corporation's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as unrestricted net assets in accordance with ASC 958-210-45.

NOTE 9 - OPERATING LEASES

The following is a summary of the outstanding operating leases payable:

The Corporation leases five automobiles under non-cancelable lease agreements. The terms of the leases are as follows:

<u>Monthly payments</u>	<u>Expiration Date</u>
\$ 656	December 2012
668	September 2013
447	May 2012
440	September 2011
589	August 2012

Future minimum monthly payments under the leases are as follows:

2012	\$ 30,078
2013	14,375
2014	2,004
2015	-
2016	-

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010

NOTE 10 - LIMITED PARTNERSHIPS

SCS Housing, Inc. is the general partner in fifteen limited partnerships formed to develop low-income housing projects through the use of Low Income Housing Tax Credits. Southwestern Community Services, Inc. and SCS Housing, Inc. have guaranteed repayment of partnership liabilities in the amount of \$24,107,219. Partnership real estate with a cost basis of approximately \$50,258,303 provides collateral on these loans.

NOTE 11 - PENSION PLAN

The Corporation has a defined contribution pension plan offering coverage to all of its employees. The pension expense for the years ended May 31, 2011 and 2010, was \$328,085 and \$328,338, respectively. The plan is a tax-sheltered annuity which is funded by a Corporation match of the employee's contributions.

NOTE 12 - INCOME TAXES

The Corporation qualifies as an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Management believes there is no tax on unrelated business income, therefore no income tax provisions have been made in the accompanying financial statements.

NOTE 13 - CONCENTRATION OF RISK

A large percentage of the Corporations' revenues are from two contractors, the Federal Government and the State Government. It is always considered to be at least reasonably possible that any contractor could be lost in the near term, but management feels this risk is of no particular concern at this time.

NOTE 14 - MANAGEMENT REVIEW

Management has reviewed subsequent events as of June 20, 2012, the date the financial statements were available to be issued. At that time, there were no material subsequent events.

Southwestern Community Services, Inc. Board of Directors - 2014 -

Elaine Amer/*Clerk/Treasurer*

Dave Edkins

David Hill

Leroy Austin

Beth Fox

Mary Lou Huffling

Anne Beattie

Raymond Gagnon

Peter (Sturdy) Thomas

Scott Croteau/*Vice Chairperson*

Senator Molly Kelly

Vacant

Penny Despres

Louis Gendron

Cathy Paradis

Daisy Heath

John Rider

Kevin Watterson/*Chairperson*

John A. Manning

Summary

Over 30 years of experience with non-profit organizations, as both an outside auditor and presently Chief Financial Officer of a large community action agency.

Experience

1990–Present Southwestern Community Services Inc.
Keene, NH

Chief Financial Officer

Oversees all fiscal functions for a community action agency providing services to low and moderate income individuals. Programs include Head Start, Fuel Assistance, and multiple affordable housing projects. Supervises a staff of 7, with an agency budget of over \$ 13,000,000. Also oversees agency property management department, which manages over 300 units of affordable housing.

1985-1995 Keene State College Keene, NH

Adjunct Professor

Taught evening accounting classes for their continuing education program.

1978-1990 John A. Manning, Keene, NH

Certified Public Accountant

Provided public accounting services to small and medium sized clients, including multiple non-profit organizations. Performed certified audits on several clients, including Head Start and other non-profit clients

1975-1978 Kostin and Co. CPA's West Hartford, Ct.

Staff Accountant

Performed all aspects of public accounting for medium sized accounting firm. Audited large number of privately held and non-profit clients.

Education

1971–1975 University of Mass. Amherst, Ma.

- B.S. Business Administration in Accounting

Organizations

American Institute of Certified Public Accountants
NH Society of Certified Public Accountants

WILLIAM A. MARCELLO

Work Experience:

November 1977 – Present

Southwestern Community Services, Inc., Executive Director

Responsible for overall supervision, management, monitoring, and fiscal review of 35 Social Service Programs providing services to low-income, elderly, and disabled residents of Sullivan and Cheshire counties in New Hampshire.

Funding:

Federal, Private Grants, and State and Local Government funding from more than 50 sources, totaling over \$7,000,000 cash flow per yearly basis.

Affordable Housing Program:

Number of Housing Units: 180 Family and Elderly
Commercial Space: Four properties (150,000 sq. ft. of rental space)
Project Funding: Over \$21,000,000

Staff Size:

Senior Staff: 10 Managers
Agency Staff: 150

September 1974 – November 1977:

SCS, Inc., Deputy Director

Designed, implemented and directed:

- 1) ***Women's, Infants' and Children's (WIC) Program:***
Presently 12 staff, 2,600 participants and funded at:
Program Support - \$300,000 Food Vouchers - \$1,500,000
- 2) ***Food Stamp Distribution Program:***
7 Staff, 3,000 households, funded at:
Program Support - \$175,000 Food Stamps Issued - \$2,400,000

February 1969 – September 1974:

Involved in Education / Counseling Programs for the Agency:

1970 – 75 Head Start Director:
Three Centers, 140 Children ages 3-5

- 1971 – 1975 Director, Sullivan / Cheshire County Day Care Program
Three Centers, 68 Children ages 3-5
- 1973 – 1975 Education Coordinator – Head Start Program, Day Care Program
- 1974 Summer Director Neighborhood Youth Corps Program
350 Low-income youths, 10 Counselors
- 1973 Director Adult Continuing Education Program
- 1969 – 1970 Head Start Teacher – 5-year-olds Class
21 Low-income youths, 1 Teacher Aide
- 1969 Summer Neighborhood Youth Corps Program Counselor
90 Teenagers, Cheshire County

Education:

- 1970 – 1971 University of Massachusetts, Amherst
Masters Program – Early Childhood Education
15 Credits
- 1966 – 1969 Keene State College, Keene, NH
Bachelor of Education, 1969

Organizations:

Active participation in numerous civic and professional organizations, locally, statewide and throughout New England.

Laurie J. Tyler

Qualifications

Successful fundraising and grant writing skills
Managing multiple Housing Units and Programs
Twenty years experience in leadership and administration
Strong written and oral communication ability
Strong work ethic and a self-driven passion for the cause

Professional Experience

Director of Homeless Services Program Development December 2000 – present
Southwestern Community Services, Inc., Keene, NH

- Directed and maintained staff of 16 employees and volunteers while overseeing six homeless shelters with 140+ beds within two counties. Assure quality of services provided for up to 500 Homeless individuals/families with shelter and/or voucher programs.
- Grant writing for programs such as LTTHP, SCLTTHP, EHS, SSVF, Rapid Re-housing S+C, etc. Have been awarded more than \$2.5mil in Grants that are renewed via competitive proposals.
- Brick & Mortar Federal Grants for Construction/Acquisitions Monies. Awarded more than \$2.3mil in monies for Shelter, PHP and 2ND Chance Programs.
- Fund Raising Charitable Contributions. Worked with business and agencies (FEMA, PSNH, Monadnock United Way, Walmart, Sprinkler Funds and Private Donors) to receive in excess of \$130k in miscellaneous awards and private donations.
- Experienced with Grants that are renewed via competitive proposals, fundraising programs and compliance reporting (to include private/public foundations, local/state/federal government)
- Assure compliance with Federal, State, Local, legal and funding requirements. Participate in Community/Professional Networking events including conference trainings and public speaking.

Administrative Assistant/Assistant Office Manager May 1995 – Jan 2001
Monadnock Area Psychotherapy & Spirituality Services, Keene, NH

- Manage office staff and maintenance employees. Coordinate and manage efficient procedures for successful office operations and client intake and assignment administration
- Monitor cash flow by managing accounts receivable and accounts payable.
- Establish and maintain successful billing and tracking system. Prepare and analyze monthly and yearly financial statements to include yearly budget preparation.

Office Manager 1988-1995
Khouw & Post Professional Association, Keene, NH

- Prepared and analyzed monthly and yearly financial statements. Monitored cash flow by managing accounts receivable and accounts payable.
- Trained and supervised clerical staff. Managed and monitored personnel policies and benefits.

Education

- **Bachelor of Science, Management**, Franklin Pierce College, Keene, NH
 - 3.68 G.P.A., Magna Cum Laude, Management Departmental Honors
- **Giving Monadnock Non-Profit Fundraising Institute**, Antioch College, Keene, NH
 - Certification on stimulating, promoting, and inspiring an increased level of philanthropy.
- **Leadership Development Training**, Tad Dwyer, Keene, NH

Other

- Experienced with both IBM PC's and Macintosh Computers with proficiencies in MS Word, Quickbooks, and Excel.
- Annual trainings in CPI, Blood borne Pathogens, Mental Health, Substance Abuse, Brain Injuries, Military Culture, Housing 101, Case Management, etc.
- Published article in college science textbook.

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
John A. Manning	Acting Chief Executive Officer	\$107,016	0.00%	\$0.00
William A. Marcello	Chief Executive Officer	\$117,353	0.00%	\$0.00
Laurie Tyler	Program Director	\$44,616	0.00%	\$0.00

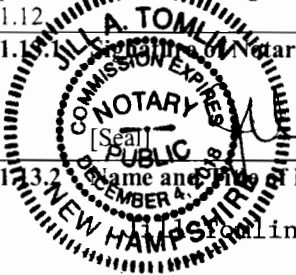
Subject: Continuum of Care Program

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Office of Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Southwestern Community Services, Inc.		1.4 Contractor Address 63 Community Way P.O. Box 603 Keene, NH 03431-0603	
1.5 Contractor Phone Number (603) 352-7512	1.6 Account Number 010-042-7927-102-0731	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$75,992.00
1.9 Contracting Officer for State Agency Eric D. Borrin		1.10 State Agency Telephone Number (603) 271-9558	
1.11 Contractor Signature <i>John A Manning</i>		1.12 Name and Title of Contractor Signatory John A. Manning Acting Chief Executive Officer	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Cheshire</u> On <u>3/10/14</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person who is is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.14 Notary Public or Justice of the Peace  <i>Jill A. Tomlin</i>			
1.14 State Agency Signature <i>Mary Ann Cooney</i>		1.15 Name and Title of State Agency Signatory <i>MARY ANN COONEY</i> <i>Associate Commission</i>	
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>Rosemary Diak</i> On: <i>3-24-14</i>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

Jm
3/10/14

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

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

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

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

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

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

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

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

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

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

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

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

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

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

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

14. INSURANCE.

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

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

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

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

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

Contractor Initials: jm
Date: 3/10/14

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

Continuum of Care Program

1. **CONDITIONAL NATURE OF AGREEMENT**

1.1. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care Grant. The State has applied for the Continuum of Care Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the Continuum of Care Grant.

2. **SERVICES**

2.1. Based on the continued receipt/availability of federal funds from the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, the Contractor shall provide a permanent housing program that shall serve twenty eight (28) homeless individuals with disabilities.

2.2. The goal of this program is to facilitate the movement of homeless individuals to permanent housing and maximum self-sufficiency.

2.3. To be eligible for contract services, individuals must be homeless as defined in HUD regulations. The Contractor must obtain and retain appropriate documentation.

2.4. The Contractor shall provide these services according to HUD regulations as outlined in Public Law 102-550, 24 CFR Part 578 Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program interim rule, and other written HUD policies and directives.

2.5. Each program participant shall have an employment assessment and employment goals included in the individual service plan, as appropriate.

3. **PROGRAM REPORTING REQUIREMENTS**

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report: Within thirty (30) days after the Completion Date, an Annual Performance Report (APR) shall be submitted to the BHHS that summarizes the results of the Project Activities, showing in particular how the Project Activities have been performed. The Annual Performance Report shall be in the form required or specified by the State.

3.1.2. Other Reports as requested by the State.

3.2. All programs under this contract are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Current NH HMIS policy can be accessed electronically through the following website: <http://www.nh-hmis.org>.

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Exhibit A

3.3. Failure to submit the above reports or enter data into NH-HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by the BHHS.

4. CONTRACT ADMINISTRATION

4.1. The Contractor shall have appropriate levels of staff attend all meetings or trainings requested by the BHHS. To the extent possible, BHHS shall notify the contractor of the need to attend such meetings five working days in advance of each meeting.

4.2. The Bureau Administrator of BHHS or designee may observe performance, activities and documents under this Agreement; however, these personnel may not unreasonably interfere with contractor performance.

4.3. The Contractor shall inform BHHS of any staffing changes.

4.4. Contract records shall be retained for a period of five (5) years following completion of the contract and receipt of final payment by the Contractor, or until an audit is completed and all questions arising there from are resolved, whichever is later.

4.5. Changes to the contract services that do not affect its scope, duration, or financial limitations may be made upon mutual agreement between the Contractor and the BHHS.

5. FINANCIAL

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

5.1.1. Operating Expenses

5.1.1.1. Eligible operating expenses include maintenance and repair of housing, property taxes and insurance (including property and car), scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost), building security for a structure where more than fifty percent of the units or area is paid for with grant funds, utilities (including electricity, gas and water), furniture and equipment.

5.1.1.2. Ineligible costs include rental assistance and operating costs in the same project, operating costs of emergency shelter- and supportive service-only facilities, maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

5.1.2. Supportive Services

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



Exhibit A

- 5.1.2.2. Eligible costs include mental health services, case management services, salaries of Contractor staff providing supportive services, reasonable one-time moving costs (truck rental and hiring a moving company), child-care costs for establishing and operating child care, and providing child-care vouchers for children from families experiencing homelessness (including providing meals and snacks and comprehensive and coordinated developmental activities), education services, employment assistance and job training skills, housing search and counseling services, legal services (fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family's ability to obtain and retain housing), outpatient health services, transportation services, and utility deposits.
- 5.1.2.3. Ineligible costs include staff training, fundraising, conference attendance, and court fines incurred by participants.

5.1.3. Rental Assistance

- 5.1.3.1. Grant funds may be used for rental assistance for homeless individuals and families. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.
- 5.1.3.2. The rental assistance may be short term, up to 3 months of rent; medium term, for 3-24 months; or long-term, for longer than 24 months of rent and must be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a)(9) and 24 CFR 578.51.
- 5.1.3.3. Long-term rental assistance must be administered by someone other than the Contractor. The Contractor must have a Memorandum of Understanding (MOU), with a State, unit of general local government, or a public housing agency.
- 5.1.3.4. Short or medium term rental assistance provided under the Rapid ReHousing program component is not subject to requirements in 578.51 (b), and is not required to be administered by a state, unit of local government, or public housing agency.
- 5.1.3.5. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.
- 5.1.3.6. Rental assistance will only be provided for a unit if the rent is reasonable. The contractor must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.

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Exhibit A

- 5.1.3.7. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant.
 - 5.1.3.8. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.
 - 5.1.3.9. The Contractor must provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.
 - 5.1.3.10. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and sub recipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid ReHousing program component must be tenant based rental assistance.
 - 5.1.3.11. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.
 - 5.1.3.12. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.
 - 5.1.3.13. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.
- 5.1.4. Administrative Costs
- 5.1.4.1. Administrative costs include: Preparing program budgets, schedules and amendments, developing systems for assuring compliance with program requirements, developing interagency agreements and agreements with sub recipients and contractors to carry out program activities, preparing reports and other documents related to the program for submission to HUD, evaluating program results against stated objectives, travel costs incurred for official business in carrying out the program, administrative services performed under third party contracts or agreements (including such services as general legal services, accounting services, and audit services), and other costs for goods and services required for

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Exhibit A

administration of the program (including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space).

5.2. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73 (a) (b) (c).

5.2.1. The contractor must match all grant funds except for leasing funds, with no less than twenty-five percent of funds or in-kind contributions from other sources.

5.2.2. Match requirements are to be documented with each payment request.

5.3. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 4.1. The Contractor must have written approval from the State prior to billing for any other expenses.

5.4. The Contractor may charge program participants rent and utilities (heat, hot water); however, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 583.315). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.

5.5. The contractor shall have any staff charged in full or part to this contract or counted as match complete weekly or bi-weekly timesheets.

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Exhibit B

METHOD AND CONDITIONS PRECEDENT TO PAYMENT

Continuum of Care Program

The following financial conditions apply to the scope of services as detailed in Exhibit A – Continuum of Care Program.

This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund: Not applicable

Federal Funds:

CFDA #: 14.235

Federal Agency: U.S. Department of Housing & Urban Development

Program Title: Continuum of Care Program

Total Amount Continuum of Care Program;

July 1, 2014 – June 30, 2015: not to exceed \$75,992.00

Funds allocation under this agreement for Continuum of Care Program;

Operating: \$74,044.00

Administrative costs: \$1,948.00

Total program amount: \$75,992.00

1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development (HUD) Continuum of Care Program, in an amount not to exceed and for the time period specified above.

2. REPORTS

As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

- 2.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with the regulations that implement OMB Circular A-133. Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State.
- 2.2. Where the Contractor is not subject to the requirements of OMB Circular A-133, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.

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Exhibit B

3. PROJECT COSTS: PAYMENT SCHEDULE; REVIEW BY THE STATE

- 3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in OMB Circular A-87 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of OMB Circular A-122.
- 3.2. Payment of Project Costs: Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing, rental assistance and administration utilizing funds provided through the U.S. Department of Housing and Urban Development Title XIV Housing programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550) in an amount not to exceed as specified above. Reimbursement requests for all Project Costs shall be submitted on a monthly basis and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form as designated by the State, which shall be completed and signed by the Contractor. The Contractor shall provide additional financial information if requested by the State to verify expenses.
- 3.3. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture pursuant to 24 CFR Subsection 576.55. The funds authorized to be expended under this Agreement shall be used only for operations, supportive services, leasing, rental assistance and administration or reimbursement for expenditures for operations, supportive services, leasing, and rental assistance and administration, provided by the Contractor for the project period and operating years of the Continuum of Care Program as approved by HUD and in accordance with the Continuum of Care Program Regulations, published at 24 CFR Part 578.

4. USE OF GRANT FUNDS

- 4.1. The State agrees to provide payment for actual costs, up to the not to exceed amount for the Continuum of Care Program as specified in this Exhibit, as defined by HUD under the provisions of P.L. 102-550 and applicable regulations.
- 4.2. The Contractor may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval from the State.

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3/10/14



Exhibit B

- 4.3. Conformance to OMB Circular A-110: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in OMB Circular A-110.
5. CONTRACTOR FINANCIAL MANAGEMENT SYSTEM
 - 5.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
 - 5.2. The Contractor shall maintain a financial management system that complies with Attachment G of A-102, "Standards of Contractor Financial Management Systems" or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2 of this Agreement.

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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;



- 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



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.

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CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

New Hampshire Department of Health and Human Services
Exhibit D



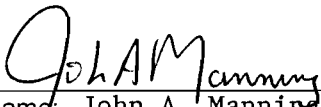
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted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

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

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

Contractor Name: Southwestern Community Services, Inc.

3/10/14
Date


Name: John A. Manning
Title: Acting 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

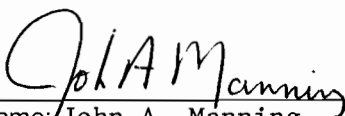
The undersigned certifies, to the best of his or her knowledge and belief, that:

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-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: Southwestern Community Services, Inc.

3/10/14
Date


Name: John A. Manning
Title: Acting 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

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

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

PRIMARY COVERED TRANSACTIONS

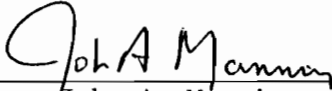
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 -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

3/10/14
Date


Name: John A. Manning
Title: Acting Chief Executive Officer



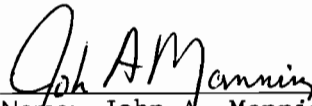
CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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: Southwestern Community Services, Inc.

3/10/14
Date


Name: John A. Manning
Title: Acting Chief Executive Officer



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

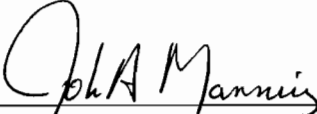
Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, 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: Southwestern Community Services, Inc.

3/10/14
Date


Name: John A. Manning
Title: Acting Chief Executive Officer



HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

Definitions

1. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D, Sec. 13400.
2. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
3. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
4. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
5. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
6. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
7. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
8. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
9. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
10. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
11. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
12. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
13. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
14. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
15. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
16. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.



Use and Disclosure of Protected Health Information

1. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. Business Associate may use or disclose PHI:
 - 2.1. For the proper management and administration of the Business Associate;
 - 2.2. As required by law, pursuant to the terms set forth in paragraph d. below;
 - 2.3. For data aggregation purposes for the health care operations of Covered Entity.
3. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
4. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.
5. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

Obligations and Activities of Business Associate

1. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
2. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec. 13404.
3. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
4. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
5. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

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3/10/14



6. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
7. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
8. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
9. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
10. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
11. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

Obligations of Covered Entity

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

Termination for Cause

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



Miscellaneous

1. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
2. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
3. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
4. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
5. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
6. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

Contractor Name: Southwestern Community Services, Inc.

3/10/14
Date

John A. Manning
Name: John A. Manning
Title: Acting Chief Executive Officer

State Agency Name:
NH DHHS

3/18/14
Date

Mary Ann Cooney
Name: Mary Ann Cooney
Title: Associate Commissioner



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

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

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

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

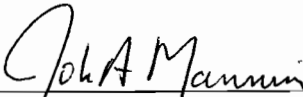
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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

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

Contractor Name: Southwestern Community Services, Inc.

3/10/14
Date


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

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:

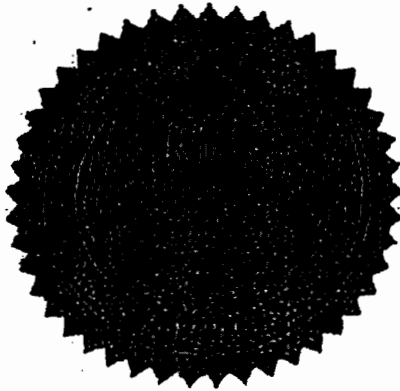
4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

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

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SOUTHWESTERN COMMUNITY SERVICES, INC. is a New Hampshire nonprofit corporation formed May 19, 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 5th day of June A.D. 2013

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

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

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

2. The following is a true copy of two resolution duly adopted at a meeting of the Board of Directors of the Agency
duly held on 4/27/12 :
(Date)

RESOLVED: That the Acting 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, 2014.
(Date Contract Signed)

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

of the Agency.

Elaine M. Amer
(Signature of the Elected Officer)

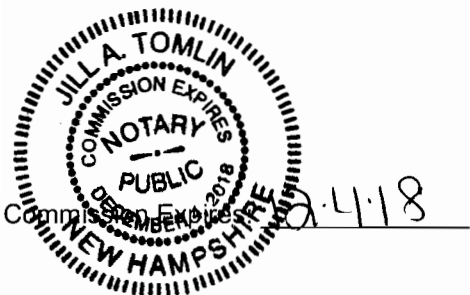
STATE OF NEW HAMPSHIRE

County of Cheshire

The forgoing instrument was acknowledged before me this 10th day of March, 2014.

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

Jill A. Tomlin
(Notary Public/Justice of the Peace)





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/19/2014

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

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

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

COVERAGES **CERTIFICATE NUMBER:** 1100313087 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			PHPK1033290	6/30/2013	6/30/2014	EACH OCCURRENCE	\$1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$100,000
							MED EXP (Any one person)	\$5,000
							PERSONAL & ADV INJURY	\$1,000,000
							GENERAL AGGREGATE	\$2,000,000
							PRODUCTS - COMP/OP AGG	\$2,000,000
								\$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PHPK1033290	6/30/2013	6/30/2014	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 <input checked="" type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$10,000			PHUB424030	6/30/2013	6/30/2014	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) If yes, describe under DESCRIPTION OF OPERATIONS below			3102800768	4/1/2014	4/1/2015	<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			PHPK1033290	6/30/2013	6/30/2014	\$1,000,000 \$2,000,000	per occurrence general aggregate

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

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

CERTIFICATE HOLDER

NH -DHHS
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
James H. Neal

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Mission Statement

Southwestern Community Services

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

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

Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

www.rlbc.com
accting@rlbc.com

41 Bates Street
Portland, Maine 04103

Tel: (207) 775-1717
Fax: (207) 775-7103

INDEPENDENT AUDITORS' REPORT

June 20, 2012

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

We have audited the accompanying combined statements of financial position of Southwestern Community Services, Inc., as of May 31, 2011 and 2010, and the related combined statements of activities, functional expenses, and cash flows for the years then ended. These combined financial statements are the responsibility of Southwestern Community Services, Inc.'s management. Our responsibility is to express an opinion on these combined 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 combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Southwestern Community Services, Inc. as of May 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2012, on our consideration of Southwestern Community Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Ron L. Beaulieu & Co.

Certified Public Accountants

Southwestern Community Services, Inc.

**Independent Auditors' Report and
Management's Financial Statements**

May 31, 2011

Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

SOUTHWESTERN COMMUNITY SERVICES, INC.

MAY 31, 2011

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SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
MAY 31,

	<u>2011</u>	<u>2010</u>
CURRENT ASSETS		
Cash	\$ 122,596	\$ 86,057
Accounts receivable (net)	1,879,509	2,017,522
Contracts receivable (net)	-	29,787
Prepaid rent	1,705	600
Total current assets	<u>2,003,810</u>	<u>2,133,966</u>
FIXED ASSETS		
Real estate	8,460,141	8,445,412
Vehicles and equipment	992,324	828,636
Furniture and fixtures	149,798	149,798
Total fixed assets	<u>9,602,263</u>	<u>9,423,846</u>
Less - accumulated depreciation	<u>(2,081,030)</u>	<u>(1,740,425)</u>
Net fixed assets	<u>7,521,233</u>	<u>7,683,421</u>
OTHER ASSETS		
Notes receivable, less current portion (net)	174,019	174,196
Investments	100,500	242,500
Due from related limited partnerships	661,578	664,703
Cash escrow funds	125,375	137,239
Other assets	729	89,535
Total other assets	<u>1,062,201</u>	<u>1,308,173</u>
TOTAL ASSETS	<u>\$ 10,587,244</u>	<u>\$ 11,125,560</u>
CURRENT LIABILITIES		
Accounts payable	616,626	1,017,679
Contracts payable	-	260,121
Accrued expenses	351,931	356,578
Other current liabilities	8,592	8,586
Deferred revenue	761,965	797,703
Line of credit	249,953	249,934
Note payable	-	117,000
Current portion of long-term debt	197,725	201,163
Total current liabilities	<u>2,186,792</u>	<u>3,008,764</u>
LONG-TERM DEBT, less current portion	<u>5,302,013</u>	<u>5,433,904</u>
TOTAL LIABILITIES	<u>7,488,805</u>	<u>8,442,668</u>
NET ASSETS		
Unrestricted	<u>3,098,439</u>	<u>2,682,892</u>
TOTAL NET ASSETS	<u>3,098,439</u>	<u>2,682,892</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,587,244</u>	<u>\$ 11,125,560</u>

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENTS OF ACTIVITIES
YEARS ENDED MAY 31,

	<u>2011</u>	<u>2010</u>
REVENUES:		
Grants and contracts	\$ 10,498,721	\$ 13,524,369
Program service fees	2,399,468	2,168,716
Rental income	670,405	527,461
Developer income	568,024	365,353
Contributions	473,434	209,436
Interest income	191	1,117
Miscellaneous	482,483	241,095
In-kind contributions	487,812	478,625
TOTAL REVENUES	<u>15,580,538</u>	<u>17,516,172</u>
EXPENSES:		
Program services:		
Home energy programs	5,069,553	7,471,691
Education and nutrition	2,397,493	2,735,557
Special needs	783,970	1,051,988
Family services	-	44,327
Housing and homeless services	4,435,755	2,244,985
Economic development services	496,633	260,291
Other real estate	-	4,031
Other programs	615,374	2,420,440
Total program services	<u>13,798,778</u>	<u>16,233,310</u>
Support services:		
Management and general	1,830,831	1,430,700
Total support services	<u>1,830,831</u>	<u>1,430,700</u>
TOTAL EXPENSES	<u>15,629,609</u>	<u>17,664,010</u>
NON-OPERATING REVENUES AND EXPENSES		
Gain on disposal of fixed assets	122,118	-
Gain on sale of investments	342,500	-
TOTAL NON-OPERATING REVENUES AND EXPENSES	<u>464,618</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	415,547	(147,838)
NET ASSETS - JUNE 1	<u>2,682,892</u>	<u>2,830,730</u>
NET ASSETS - MAY 31	<u><u>\$ 3,098,439</u></u>	<u><u>\$ 2,682,892</u></u>

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2011

	Program Services				
	Home Energy Programs	Education and Nutrition	Special Needs	Family Services	Housing and Homeless Services
Payroll	\$ 603,061	\$ 988,846	\$ 461,170	\$ -	\$ 1,342,972
Payroll taxes	62,484	86,134	34,707	-	156,242
Payroll benefits	164,025	319,976	140,483	-	430,238
Retirement	47,716	57,216	18,610	-	114,621
Advertising	-	2,208	-	-	2,280
Bank charges	-	-	-	-	-
Computer cost	4,080	-	-	-	-
Contractual	620,355	14,797	3,850	-	549,990
Depreciation	7,902	27,959	3,520	-	128,120
Development costs	-	-	-	-	-
Dues/registrations	-	837	165	-	1,916
Duplicating	6,094	-	880	-	9,359
Insurance	8,583	8,298	5,508	-	86,116
Interest	-	-	-	-	284,488
Management fees	-	-	-	-	-
Meeting & conference	3,378	-	150	-	18,106
Miscellaneous expense	9,563	956	2,166	-	28,644
Equipment purchases	9,096	160	-	-	17,955
Office expense	44,961	12,772	637	-	28,648
Postage	15,769	-	180	-	11,468
Professional	500	-	-	-	15,779
Staff development & training	23,141	63	1,549	-	97,770
Subscriptions	-	-	-	-	100
Telephone	5,584	7,144	4,404	-	10,758
Fax	2	-	30	-	1,429
Travel	8,755	20,105	1,926	-	34,909
Vehicle	14,696	1,337	13,369	-	65,227
Space costs	38,588	221,564	36,341	-	340,010
Direct client assistance	3,286,978	-	-	-	6,392
Other direct program costs	84,242	139,309	54,325	-	652,218
In-kind expenses	-	487,812	-	-	-
TOTAL EXPENSES	\$ 5,069,553	\$ 2,397,493	\$ 783,970	\$ -	\$ 4,435,755

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2011

	Program Services			Support	Total Expenses
	Economic Development Programs	Other Real Estate	Other Programs	Management and General	
Payroll	\$ 230,391	\$ -	\$ 227,339	\$ 818,377	\$ 4,672,156
Payroll taxes	28,330	-	17,840	77,940	463,677
Payroll benefits	59,627	-	66,396	201,589	1,382,334
Retirement	14,714	-	5,958	69,250	328,085
Advertising	719	-	71	-	5,278
Bank charges	-	-	-	-	-
Computer cost	935	-	(501)	7,599	12,113
Contractual	-	-	3,000	167,145	1,359,137
Depreciation	-	-	-	172,018	339,519
Development costs	-	-	-	-	-
Dues/registration	-	-	8,333	5,570	16,821
Duplicating	983	-	9	26	17,351
Insurance	1,701	-	1,724	(15,453)	96,477
Interest	-	-	-	13,411	297,899
Management fees	-	-	-	-	-
Meeting & conference	-	-	10,909	31,851	64,394
Miscellaneous	1,490	-	141,091	45,277	229,187
Equipment purchases	358	-	2,825	1,337	31,731
Office expense	3,379	-	9,482	26,486	126,365
Postage	1,329	-	4,631	13	33,390
Professional	-	-	-	46,563	62,842
Staff development & training	1,761	-	1,450	27,728	153,462
Subscriptions	-	-	800	1,972	2,872
Telephone	2,758	-	1,142	4,260	36,050
Fax	16	-	29	-	1,506
Travel	16,812	-	11,901	7,166	101,574
Vehicle	-	-	41,416	396	136,441
Space costs	52,130	-	47,458	76,819	812,910
Direct client assistance	35,824	-	1,000	-	3,330,194
Other direct program costs	43,376	-	11,071	43,491	1,028,032
In-kind expenses	-	-	-	-	487,812
TOTAL EXPENSES	\$ 496,633	\$ -	\$ 615,374	\$ 1,830,831	\$ 15,629,609

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2010

	Program Services				
	Home Energy Programs	Education and Nutrition	Special Needs	Family Services	Housing and Homeless Services
Payroll	\$ 716,519	\$ 1,196,302	\$ 567,559	\$ 23,890	\$ 546,580
Payroll taxes	61,315	108,020	50,276	2,391	91,703
Payroll benefits	120,232	319,542	174,271	6,773	308,173
Retirement	42,303	73,243	19,255	342	83,262
Advertising	262	2,398	-	-	1,863
Bank charges	-	-	-	-	-
Computer cost	25,331	34,284	8,660	1,402	32,492
Contractual	868,265	15,549	13,265	-	168,257
Depreciation	7,902	36,527	3,520	-	37,947
Development costs	-	-	-	-	-
Dues/registrations	-	1,312	1,109	-	1,914
Duplicating	5,952	12,063	264	20	10,624
Insurance	11,059	10,757	3,123	-	34,311
Interest	-	19,776	1,429	-	3,218
Management fees	-	-	-	-	-
Meeting & conference	4,425	12,976	55	-	10,118
Miscellaneous expense	17,388	415	3,951	2,900	4,524
Equipment purchases	1,414	11,053	-	-	5,627
Office expense	63,668	9,971	4,128	904	24,442
Postage	12,985	3,089	544	8	9,969
Professional	500	-	-	-	5,295
Staff development & training	36,568	670	1,350	-	30,449
Subscriptions	-	(125)	-	-	-
Telephone	17,428	20,163	12,736	123	44,244
Fax	1,265	1,099	188	17	1,398
Travel	2,534	30,740	71,623	3,938	15,711
Vehicle	10,978	1,325	13,772	-	31,976
Space costs	47,245	105,283	40,105	1,535	197,971
Direct client assistance	5,362,796	3,660	-	-	278,740
Other direct program costs	33,357	226,840	60,805	84	264,177
In-kind expenses	-	478,625	-	-	-
TOTAL EXPENSES	\$ 7,471,691	\$ 2,735,557	\$ 1,051,988	\$ 44,327	\$ 2,244,985

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2010

	Program Services			Support Services	Total Expenses
	Economic Development Programs	Other Real Estate	Other Programs	Management and General	
Payroll	\$ 108,859	\$ -	\$ 525,420	\$ 658,021	\$ 4,343,150
Payroll taxes	8,749	-	90,714	49,029	462,197
Payroll benefits	22,159	-	225,014	150,110	1,326,274
Retirement	5,522	-	52,623	51,788	328,338
Advertising	211	-	1,152	-	5,886
Bank charges	-	-	-	-	-
Computer cost	1,105	-	122,863	22,641	248,778
Contractual	-	-	114,141	-	1,179,477
Depreciation	-	3,712	252,486	-	342,094
Development costs	-	-	-	-	-
Dues/registrations	-	-	464	10,840	15,639
Duplicating	397	-	1,166	5,682	36,168
Insurance	-	-	46,414	41,854	147,518
Interest	-	-	58,130	-	82,553
Management fees	-	-	-	-	-
Meeting & conference	-	-	14,828	44,138	86,540
Miscellaneous	-	-	190,021	27,889	247,088
Equipment purchases	-	-	19,296	-	37,390
Office expense	1,685	-	14,404	38,354	157,556
Postage	725	44	29,636	4,197	61,197
Professional	-	-	2,159	37,246	45,200
Staff development & training	600	-	24,410	20,930	114,977
Subscriptions	-	-	599	2,743	3,217
Telephone	3,786	-	65,879	11,527	175,886
Fax	133	-	239	245	4,584
Travel	8,955	-	34,064	5,298	172,863
Vehicle	-	-	35,044	20,559	113,654
Space costs	1,794	-	269,407	227,609	890,949
Direct client assistance	95,611	-	-	-	5,740,807
Other direct program costs	-	275	229,867	-	815,405
In-kind expenditures	-	-	-	-	478,625
TOTAL EXPENSES	\$ 260,291	\$ 4,031	\$ 2,420,440	\$ 1,430,700	\$ 17,664,010

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED MAY 31,

	<u>2011</u>	<u>2010</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 415,547	\$ (147,838)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	339,519	342,094
(Gain) / loss on sale of fixed assets	(122,118)	-
(Gain) / loss on sale of investments	(342,500)	-
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable	138,013	(506,542)
(Increase) decrease in contracts receivable	29,787	9,043
(Increase) decrease in prepaid rent	(1,105)	-
(Increase) decrease in due from related limited partnerships	3,125	(86,338)
(Increase) decrease in escrow funds	11,864	(19,141)
(Increase) decrease in other assets	88,806	(88,568)
Increase (decrease) in accounts payable	(401,053)	332,389
Increase (decrease) in contracts payable	(260,121)	94,228
Increase (decrease) in accrued expenses	(4,647)	213,225
Increase (decrease) in security deposits	6	3,985
Increase (decrease) in deferred revenue	(35,738)	147,463
Increase (decrease) in line of credit	20	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(140,595)</u>	<u>294,000</u>
INVESTING ACTIVITIES		
Purchase of fixed assets	(252,841)	(226,866)
Proceeds from sale of fixed assets	540,128	-
(Increase) decrease in notes receivable	177	3,065
Proceeds from sale of investments	142,000	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>429,464</u>	<u>(223,801)</u>
FINANCING ACTIVITIES		
Proceeds from long-term debt	86,254	667,613
Payments on long-term debt	(221,584)	(809,735)
Payments on note payable	(117,000)	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(252,330)</u>	<u>(142,122)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	36,539	(71,923)
CASH AND CASH EQUIVALENTS - JUNE 1	<u>86,057</u>	<u>157,980</u>
CASH AND CASH EQUIVALENTS - MAY 31	<u>\$ 122,596</u>	<u>\$ 86,057</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	<u>\$ 297,899</u>	<u>\$ 82,553</u>

See accompanying independent auditors' report and notes to financial statements.

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Southwestern Community Services, Inc. is an umbrella corporation that offers an array of services to the elderly, disabled, and low-income households in the Cheshire and Sullivan counties of New Hampshire. Various programs provide assistance in the areas of education, child development, employment, energy and its conservation, housing, and homelessness prevention. Services are provided through Southwestern Community Services, Inc., and its related corporations, SCS Management Corp. and SCS Housing, Inc. The organization is committed to providing respectful support service and assisting individuals and families in achieving self-sufficiency by helping them overcome the causes of poverty.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and accordingly reflect all significant receivables, payables, and other liabilities. The financial statements include the accounts of Southwestern Community Services, Inc., SCS Management Corp., and SCS Housing, Inc. All significant intercompany items and transactions have been eliminated from the basic financial statements.

Fixed asset acquisitions

Fixed assets acquired by the Corporation are capitalized at cost and depreciated over their estimated useful lives on a straight-line or accelerated method. It is the policy of the Corporation to capitalize all fixed assets over \$5,000.

Deferred Revenue

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

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

None of the estimates used in preparing the financial statements are considered significant.

Cash equivalents

For the purpose of the statement of cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

The contracts receivable allowance for doubtful accounts is based upon management's assessment of the credit history with customers having outstanding balances and current relationships with them.

The accounts receivable allowance for doubtful accounts is based upon an analysis of the aged accounts receivable listing.

The notes receivable allowance for doubtful accounts is based upon an analysis of the aged notes receivable listing.

In-kind Support

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

Advertising

The Corporation uses advertising to promote programs among the people it serves. The production costs of advertising are expensed as incurred.

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010

NOTE 2 - CASH

Southwestern Community Services, Inc., maintains its cash balances in various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 for 2011 and 2010. The Corporation's uninsured cash balances totaled \$0 and \$0, respectively. It is the opinion of management that the solvency of the referenced financial institution is of no particular concern at this time. In addition, the agency utilizes sweep accounts and constantly monitors balances to minimize risks. Finally, direct federal funds such as Head Start are drawn down as needed, and are therefore not a substantial part of the cash balances at any one time.

NOTE 3 - ACCOUNTS RECEIVABLE AND CONTRACTS RECEIVABLE

Accounts and contracts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Allowance for doubtful accounts was estimated at \$0 and \$0, on May 31, 2011 and 2010.

NOTE 4 - NOTES RECEIVABLE

Notes receivable are stated at the amount that is expected to be collected at year-end.

The allowance for loan loss has been estimated at \$0 and \$0 as of May 31, 2011 and 2010, respectively.

NOTE 5 - INVESTMENTS

Investments are reported at their fair value at year end. Although the Corporation 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 year end.

The fair value measurement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy has three levels which are described below.

Level 1 Fair Value Measurements

The fair values of investments are based on the quoted price reported on the active market for identical assets.

**SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010**

NOTE 5 - INVESTMENTS (CONTINUED)

Level 2 Fair Value Measurements

The fair values of investments are based on the quoted price reported on the active market for similar assets, or they are based on the quoted price reported on a market that is not active for identical or similar assets.

Level 3 Fair Value Measurements

The fair value of certain investments is not actively traded and significant other observable inputs are not available. In this case, management decides what the best valuation technique to use is.

The investments of the Corporation consisted of the following as of May 31,:

			May 31, 2011		
Description	Cost	Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Limited partnership	100,500	100,500	-	-	100,500
Total	\$ 100,500	\$ 100,500	\$ -	\$ -	\$ 100,500

			May 31, 2010		
Description	Cost	Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Limited partnership	242,500	242,500	-	-	242,500
Total	\$ 242,500	\$ 242,500	\$ -	\$ -	\$ 242,500

**SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010**

NOTE 5 - INVESTMENTS (CONTINUED)

The activities of the Corporation's investments account are summarized as follows:

	<u>2011</u>	<u>2010</u>
Fair Value - July 1	\$ 242,500	\$ 125,500
Investment income	-	-
Investment fees	-	-
Additions	-	117,000
Distributions	(484,500)	-
Realized gains (losses)	342,500	-
Unrealized gains (losses)	-	-
Fair Value - June 30	<u>\$ 100,500</u>	<u>\$ 242,500</u>

NOTE 6 - LINE OF CREDIT

An available \$250,000 revolving line of credit existed at years ending May 31, 2011 and 2010. Interest was charged at 4.00% and the outstanding balance at years end was \$249,953 and \$249,934, respectively.

NOTE 7 - LONG-TERM DEBT

Long-term debt consisted of the following as of May 31,:

	<u>2011</u>	<u>2010</u>
1.00% mortgage payable to NH Housing Finance Authority, secured by real estate, payable in monthly installments of \$891 including interest through 2032.	\$ 215,941	\$ 224,427
8.63% mortgage payable to bank, secured by real estate, payable in monthly installments of \$502 including interest through 2018.	-	26,302
Non-interest bearing mortgage payable to Community Development Finance Authority, secured by real estate, quarterly principal payments based on operating income formula applied to affordable housing portion of the specified real estate.	32,147	32,147
8.00% mortgage payable to bank, secured by real estate, payable in monthly installments of \$682 including interest through 2008. Balloon type note.	-	72,255

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010

NOTE 7 - LONG-TERM DEBT (CONTINUED)

	<u>2011</u>	<u>2010</u>
Variable interest rate note payable to bank, secured by real estate, payable in monthly installments of \$959 including interest through March 2021.	\$ 95,467	\$ 103,439
0.00% mortgage payable to NH Housing Finance secured by real estate. Payment is deferred for 30 years or until project is sold or refinanced.	250,000	250,000
0.00% mortgage payable to NH Housing Finance secured by real estate. Payment is deferred for 30 years or until project is sold or refinanced.	408,300	408,300
0.00% mortgage payable to NH Housing Finance secured by real estate. Payment is deferred for 30 years or until project is sold or refinanced.	550,000	550,000
8.00% note payable to bank, secured by equipment, payable in monthly installments of \$1,423 including interest through 2012.	1,536	17,695
8.00% note payable to bank, secured by equipment, payable in monthly installments of \$1,423 including interest through 2012.	1,536	17,695
9.40% note payable to bank, secured by vehicle, payable in monthly installments of \$366 including interest through 2012.	1,421	5,474
9.95% note payable to bank, secured by vehicle, payable in monthly installments of \$572 including interest through 2012.	2,370	8,995
10.70% note payable to bank, secured by vehicle, payable in monthly installments of \$393 including interest through 2012.	2,619	6,825
7.25% mortgage payable to bank, secured by real estate, payable in monthly installments of \$2,246 including interest through 2017.	249,998	259,275
10.00% note payable to bank, secured by vehicle, payable in monthly installments of \$407 including interest through 2013.	6,747	10,757
0.00% note payable to bank secured by vehicle, payable in monthly installments of \$590 through 2013.	9,435	16,511
0.00% note payable to bank secured by vehicle, payable in monthly installments of \$421 through 2013.	7,150	12,197

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010

NOTE 7 - LONG-TERM DEBT (CONTINUED)

	2011	2010
4.375% note payable to Rural Housing Service, secured by real estate, payable in monthly installments of \$11,050 including interest through 2049.	\$ 2,453,654	\$ 2,367,400
0.00% note payable to Cheshire County, secured by real estate, payment is not necessary unless the Corporation defaults on the contract.	460,000	460,000
4.00% note payable to Railroad Land Development, LLC, secured by real estate, payable in interest only annual installments with a final balloon payment of entire principal balance in March of 2013.	63,000	63,000
4.00% note payable to Monadnock Economic Development Corporation, secured by real estate, payable in interest only annual installments with a final balloon payment of entire principal balance in March of 2013.	45,000	45,000
14.65% note payable to GMAC, secured by personal property, payable in monthly installments of \$299 including interest through 2014.	7,682	9,760
5.2% note payable to bank, secured by real estate payable in \$2,769 monthly installments including interest through May of 2014. Beginning in May 2014 payments and interest will be adjusted every five years based on remaining principal balance and "Classic Advantage Rate" provided by Federal Home Loan Bank of Boston through May 2039.	485,332	492,746
Note payable to William A. Stowe, secured by real estate, payable in monthly installments of \$600. Of the \$600 payment, \$300 will be applied to interest and \$300 to principal until the balance is paid in full.	-	149,400
6.99% note payable to bank secured by vehicle, payable in monthly installments of \$560 through 2014.	20,403	25,467
5.95% note payable to a bank, secured by real estate, payable in monthly installments of \$934 including interest through 2031.	130,000	-
	\$ 5,499,738	\$ 5,635,067
Current portion	197,725	201,163
Long-term portion	5,302,013	5,433,904
	\$ 5,499,738	\$ 5,635,067

**SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010**

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Principal maturities of long-term debt in each of the next five years, are as follows:

2012	\$	197,725
2013		71,321
2014		67,429
2015		68,402
2016		71,476

NOTE 8 - UNRESTRICTED NET ASSETS

None of the Corporation's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as unrestricted net assets in accordance with ASC 958-210-45.

NOTE 9 - OPERATING LEASES

The following is a summary of the outstanding operating leases payable:

The Corporation leases five automobiles under non-cancelable lease agreements. The terms of the leases are as follows:

<u>Monthly payments</u>	<u>Expiration Date</u>
\$ 656	December 2012
668	September 2013
447	May 2012
440	September 2011
589	August 2012

Future minimum monthly payments under the leases are as follows:

2012	\$ 30,078
2013	14,375
2014	2,004
2015	-
2016	-

SOUTHWESTERN COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011 AND 2010

NOTE 10 - LIMITED PARTNERSHIPS

SCS Housing, Inc. is the general partner in fifteen limited partnerships formed to develop low-income housing projects through the use of Low Income Housing Tax Credits. Southwestern Community Services, Inc. and SCS Housing, Inc. have guaranteed repayment of partnership liabilities in the amount of \$24,107,219. Partnership real estate with a cost basis of approximately \$50,258,303 provides collateral on these loans.

NOTE 11 - PENSION PLAN

The Corporation has a defined contribution pension plan offering coverage to all of its employees. The pension expense for the years ended May 31, 2011 and 2010, was \$328,085 and \$328,338, respectively. The plan is a tax-sheltered annuity which is funded by a Corporation match of the employee's contributions.

NOTE 12 - INCOME TAXES

The Corporation qualifies as an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Management believes there is no tax on unrelated business income, therefore no income tax provisions have been made in the accompanying financial statements.

NOTE 13 - CONCENTRATION OF RISK

A large percentage of the Corporations' revenues are from two contractors, the Federal Government and the State Government. It is always considered to be at least reasonably possible that any contractor could be lost in the near term, but management feels this risk is of no particular concern at this time.

NOTE 14 - MANAGEMENT REVIEW

Management has reviewed subsequent events as of June 20, 2012, the date the financial statements were available to be issued. At that time, there were no material subsequent events.

Southwestern Community Services, Inc. Board of Directors - 2014 -

Elaine Amer/*Clerk/Treasurer*

Dave Edkins

David Hill

Leroy Austin

Beth Fox

Mary Lou Huffling

Anne Beattie

Raymond Gagnon

Peter (Sturdy) Thomas

Scott Croteau/*Vice Chairperson*

Senator Molly Kelly

Vacant

Penny Despres

Louis Gendron

Cathy Paradis

Daisy Heath

John Rider

Kevin Watterson/*Chairperson*

John A. Manning

Summary

Over 30 years of experience with non-profit organizations, as both an outside auditor and presently Chief Financial Officer of a large community action agency.

Experience

1990–Present Southwestern Community Services Inc.
Keene, NH

Chief Financial Officer

Oversees all fiscal functions for a community action agency providing services to low and moderate income individuals. Programs include Head Start, Fuel Assistance, and multiple affordable housing projects. Supervises a staff of 7, with an agency budget of over \$ 13,000,000. Also oversees agency property management department, which manages over 300 units of affordable housing.

1985-1995 Keene State College Keene, NH

Adjunct Professor

Taught evening accounting classes for their continuing education program.

1978-1990 John A. Manning, Keene, NH

Certified Public Accountant

Provided public accounting services to small and medium sized clients, including multiple non-profit organizations. Performed certified audits on several clients, including Head Start and other non-profit clients

1975-1978 Kostin and Co. CPA's West Hartford, Ct.

Staff Accountant

Performed all aspects of public accounting for medium sized accounting firm. Audited large number of privately held and non-profit clients.

Education

1971–1975 University of Mass. Amherst, Ma.

- B.S. Business Administration in Accounting

Organizations

American Institute of Certified Public Accountants
NH Society of Certified Public Accountants

WILLIAM A. MARCELLO

Work Experience:

November 1977 – Present

Southwestern Community Services, Inc., Executive Director

Responsible for overall supervision, management, monitoring, and fiscal review of 35 Social Service Programs providing services to low-income, elderly, and disabled residents of Sullivan and Cheshire counties in New Hampshire.

Funding:

Federal, Private Grants, and State and Local Government funding from more than 50 sources, totaling over \$7,000,000 cash flow per yearly basis.

Affordable Housing Program:

Number of Housing Units: 180 Family and Elderly
Commercial Space: Four properties (150,000 sq. ft. of rental space)
Project Funding: Over \$21,000,000

Staff Size:

Senior Staff: 10 Managers
Agency Staff: 150

September 1974 – November 1977:

SCS, Inc., Deputy Director

Designed, implemented and directed:

- 1) ***Women's, Infants' and Children's (WIC) Program:***
Presently 12 staff, 2,600 participants and funded at:
Program Support - \$300,000 Food Vouchers - \$1,500,000
- 2) ***Food Stamp Distribution Program:***
7 Staff, 3,000 households, funded at:
Program Support - \$175,000 Food Stamps Issued - \$2,400,000

February 1969 – September 1974:

Involved in Education / Counseling Programs for the Agency:

1970 – 75 Head Start Director:
Three Centers, 140 Children ages 3-5

- 1971 – 1975 Director, Sullivan / Cheshire County Day Care Program
Three Centers, 68 Children ages 3-5
- 1973 – 1975 Education Coordinator – Head Start Program, Day Care Program
- 1974 Summer Director Neighborhood Youth Corps Program
350 Low-income youths, 10 Counselors
- 1973 Director Adult Continuing Education Program
- 1969 – 1970 Head Start Teacher – 5-year-olds Class
21 Low-income youths, 1 Teacher Aide
- 1969 Summer Neighborhood Youth Corps Program Counselor
90 Teenagers, Cheshire County

Education:

- 1970 – 1971 University of Massachusetts, Amherst
Masters Program – Early Childhood Education
15 Credits
- 1966 – 1969 Keene State College, Keene, NH
Bachelor of Education, 1969

Organizations:

Active participation in numerous civic and professional organizations, locally, statewide and throughout New England.

Laurie J. Tyler

Qualifications

Successful fundraising and grant writing skills
Managing multiple Housing Units and Programs
Twenty years experience in leadership and administration
Strong written and oral communication ability
Strong work ethic and a self-driven passion for the cause

Professional Experience

Director of Homeless Services Program Development

December 2000 – present

Southwestern Community Services, Inc., Keene, NH

- Directed and maintained staff of 16 employees and volunteers while overseeing six homeless shelters with 140+ beds within two counties. Assure quality of services provided for up to 500 Homeless individuals/families with shelter and/or voucher programs.
- Grant writing for programs such as LTTHP, SCLTTHP, EHS, SSVF, Rapid Re-housing S+C, etc. Have been awarded more than \$2.5mil in Grants that are renewed via competitive proposals.
- Brick & Mortar Federal Grants for Construction/Acquisitions Monies. Awarded more than \$2.3mil in monies for Shelter, PHP and 2ND Chance Programs.
- Fund Raising Charitable Contributions. Worked with business and agencies (FEMA, PSNH, Monadnock United Way, Walmart, Sprinkler Funds and Private Donors) to receive in excess of \$130k in miscellaneous awards and private donations.
- Experienced with Grants that are renewed via competitive proposals, fundraising programs and compliance reporting (to include private/public foundations, local/state/federal government)
- Assure compliance with Federal, State, Local, legal and funding requirements. Participate in Community/Professional Networking events including conference trainings and public speaking.

Administrative Assistant/Assistant Office Manager

May 1995 – Jan 2001

Monadnock Area Psychotherapy & Spirituality Services, Keene, NH

- Manage office staff and maintenance employees. Coordinate and manage efficient procedures for successful office operations and client intake and assignment administration
- Monitor cash flow by managing accounts receivable and accounts payable.
- Establish and maintain successful billing and tracking system. Prepare and analyze monthly and yearly financial statements to include yearly budget preparation.

Office Manager

1988-1995

Khouw & Post Professional Association, Keene, NH

- Prepared and analyzed monthly and yearly financial statements. Monitored cash flow by managing accounts receivable and accounts payable.
- Trained and supervised clerical staff. Managed and monitored personnel policies and benefits.

Education

- **Bachelor of Science, Management**, Franklin Pierce College, Keene, NH
 - 3.68 G.P.A., Magna Cum Laude, Management Departmental Honors
- **Giving Monadnock Non-Profit Fundraising Institute**, Antioch College, Keene, NH
 - Certification on stimulating, promoting, and inspiring an increased level of philanthropy.
- **Leadership Development Training**, Tad Dwyer, Keene, NH

Other

- Experienced with both IBM PC's and Macintosh Computers with proficiencies in MS Word, Quickbooks, and Excel.
- Annual trainings in CPI, Blood borne Pathogens, Mental Health, Substance Abuse, Brain Injuries, Military Culture, Housing 101, Case Management, etc.
- Published article in college science textbook.

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
John A. Manning	Acting Chief Executive Officer	\$107,016	0.00%	\$0.00
William A. Marcello	Chief Executive Officer	\$117,353	0.00%	\$0.00
Laurie Tyler	Program Director	\$44,616	0.00%	\$0.00