



Jeffrey A. Meyers
Commissioner

Katja S. Fox
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9544 1-800-852-3345 Ext. 9544
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May 14, 2019

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health to enter into an agreement with Granite Pathways, 10 Ferry Street – Suite 319, Concord, New Hampshire, 03301, (Vendor # 228900-B001), for the development and implementation of an infrastructure to support outpatient treatment options for youth and transitional aged youth with substance use disorder/co-occurring disorder, in an amount not to exceed \$354,390, effective upon date of Governor and Executive Council approval, through September 30, 2021. 100% Federal Funds.

Funds are available in the following account for State Fiscal Year (SFY) 2019, and are anticipated to be available in SFY 2020 through SFY 2022, upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust encumbrances between State Fiscal Years through the Budget Office, if needed and justified.

05-95-92-921010-2059 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS,
HHS: DIVISION FOR BEHAVIORAL HEALTH, BUR FOR CHILDRENS BEHAVIORAL HLTH, STATE
YOUTH TREATMENT PLANNING

Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
SFY 2019	102-500731	Contracts for Program Services	92102059	\$109,043.00
SFY 2020	102-500731	Contracts for Program Services	92102059	\$109,043.00
SFY 2021	102-500731	Contracts for Program Services	92102059	\$109,043.00
SFY 2022	102-500731	Contracts for Program Services	92102059	\$27,261.00
			Total	\$354,390.00

EXPLANATION

The purpose of this request is to develop and implement an infrastructure to support outpatient treatment options for youth and transitional aged youth with Substance Use Disorder/Co-occurring Disorder (SUD/COD) that streamlines the necessary services for youth and transitional aged youth with SUD/COD and their families.

Granite Pathways is the second of two (2) Vendors selected to provide services. The Governor and Executive Council approved an agreement with The Community Council of Nashua, NH, dba Greater Nashua Mental Health Center at Community Council, May 15, 2019.

The Department anticipates Granite Pathways to provide services to at least one hundred (100) youth and transitional aged youth with SUD/COD will be served through this agreement. Both Contractors are anticipated to serve at least two hundred (200) youth. Services will be provided to youth who are uninsured, and will be paid for by the grant, while stakeholders will work concurrently with the Department to secure Medicaid for those youth, when appropriate.

Contracting with treatment providers is a nationally recognized approach for serving youth and young adults with SUD/COD. NH's substance use treatment models have an emphasis on serving adult populations. New infrastructure being developed is intended to align with adult services, while being designed to meet the unique needs of youth and transitional aged youth with SUD/COD diagnosis.

Individuals with SUD/COD have complex behavioral health needs and face a range of challenges. There is a high likelihood for youth and transitional aged youth with SUD/COD to relapse when treatment is sought. The new infrastructure includes the requirement for each treatment provider to be trained in an evidence based practice both specific to adolescents and transitional aged youth and a co-occurring behavioral health disorder.

Youth and transitional aged youth with SUD/COD are at risk for poor health and education outcomes. Youth and transitional aged youth with SUD/COD are more likely than their non-SUD/COD peers to:

- Have difficulty forming friendships.
- Drop out of high school.
- Come in contact with the juvenile justice system.
- Attempt suicide.

Moreover, youth and transitional aged youth with SUD/COD, especially those served in out-of-home placements such as foster and/or residential care, are often prescribed and taking more than one psychotropic medication, which puts them at increased risk for adverse side effects that could negatively impact their physical health.

The population served are often served by, or come into contact with, multiple state and local agencies such as, Medicaid, social service agencies, child welfare agencies, behavioral health agencies, juvenile justice systems; and, schools and other education organizations. The agencies may not always coordinate services and care planning for youth due, in part, to poor communication channels, lack of comprehensive information, or concerns regarding confidentiality and privacy.

When a child's behavioral health and psychosocial needs are not addressed, from a whole person/whole family approach, families may find themselves cycling in and out of crises. Youth in crisis

may end up in out-of-home placements such as residential treatment centers, foster care, or juvenile detention centers. These potentially avoidable and restrictive placements separate youth from their families and communities, and increase costs for the State.

This need is rapidly becoming a growing piece of NH's Children's Behavioral Health System. These contracts are vital in order to pay the vendors to provide SUD/COD services to youth and young adults enrolled in these treatment services.

The Contractors will bring stakeholders across the system together to provide access to screening, assessment, outpatient treatment, recovery services, and support that will remain continuously available, regardless of participation status.

According to the most recent (2017) estimates from the National Survey on Drug Use and Health (NSDUH), New Hampshire has some of the highest rates of substance misuse by youth and young adults in the country. One in four (25.4%) underage youth age 12-20 in New Hampshire reported past month alcohol use, while the national average for this age group is roughly one in five (19.5%). Additionally, 15.8% of those ages 12-20 reported past month binge alcohol use compared to the national average of 12 percent.

Nearly 10% of youth and 32% of young adults in New Hampshire reported past month illicit drug use. The past month use of marijuana for was 8.6% for 12-17-year-olds and 28.9% for 18-25-year-olds. New Hampshire had the fourth highest percentage of past-year cocaine use and the third highest percentage of past-year heroin use in the U.S. among 18-25-year-olds (8.8% and 1.4%, respectively). Eighteen percent of young adults (age 18-25) reported needing but not receiving treatment at a specialty facility for substance use (alcohol or drugs) in the past year, the fourth highest rate in the nation. The percentage of 12-17-year-olds who reported needing but not receiving treatment for SUD was 4.17 percent.

This development of services is being referred to as Creating Connection NH Program. The goal of the Creating Connecting NH Program is to continuously improve and sustain a system of care for youth and young adults ages 12-25 with (SUD) and/or (SUD/COD). In particular, youth of color and lesbian, gay, bisexual, and transgender (LGBT) youth ages 12-25 are the program's populations of focus. Expected outcomes for the Creating Connections NH include strengthening NH's SUD treatment infrastructure and increase access to evidence-based assessments, treatment models, and recovery services for the population of focus through coordinated and streamlined services to youth and their families. This new infrastructure and continuum of care for youth will strengthen and broaden NH's current SUD treatment system that has previously only had a focus on NH's adult population in need of these services and supports.

To facilitate the anticipated program outcomes, the contracted treatment providers will be trained in the evidence-based practices known as, the Seven Challenges. Independent studies funded by, The Center for Substance Abuse Treatment in Washington, D.C. and published in peer reviewed journals -- one study at the University of Iowa and the other at the University of Arizona, have provided evidence that demonstrates the effectiveness of, The Seven Challenges, as a "co-occurring" program that significantly decreases the substance use of adolescents and greatly improves their overall mental health status. Data also show that the program has been especially effective with

the large number of substance abusing youth who have trauma issues.

This Contractor was selected for this project through a competitive bid process. A Request for Proposals was posted on the Department of Health and Human Services web site from October 30, 2018 through November 30, 2018. The Department received two (2) proposals. The proposals were reviewed and scored by a team of individuals with program specific knowledge. The review included a thorough discussion of the strengths and weaknesses of the proposals. The Summary Scoring Sheet is attached.

As referenced in the Request for Proposals and in Exhibit C-1 of this contract, this Agreement has the option to extend for up to one (1) additional year, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

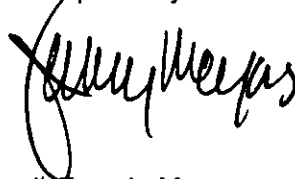
Should the Governor and Executive Council not authorize this request, the State Youth Treatment Implementation Program will not be able to serve youth and young adults with SUD/COD diagnosis in NH, which may lead to the Program not being effectively implemented. Non Authorization would in turn reduce NH effectiveness in treating youth-focused substance use disorder.

Area served: Greater Manchester region. The other vendor, The Community Council of Nashua NH, dba Greater Nashua Mental Health Center at Community Council will cover the Greater Nashua region.

Source of Funds: 100% Federal Funds from Substance Abuse and Mental Health Services Administration, Catalog of Federal Domestic Assistance (CFDA) #93.243, Federal Award Identification Number (FAIN) #TI080192.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeffrey Meyers", is written over a horizontal line.

Jeffrey A. Meyers
Commissioner



New Hampshire Department of Health and Human Services
Office of Business Operations
Contracts & Procurement Unit
Summary Scoring Sheet

STATE YOUTH TREATMENT IMPLEMENTATION –
TREATMENT PROVIDERS

RFP Name

Bidder Name

1. Granite Pathways
2. Greater Nashua Mental Health Center

RFP-2019-DBH-02-STATE

RFP Number

Pass/Fail	Maximum Points	Actual Points
	450	375
	450	379

Reviewer Names

1. Shawn Blakey
State Youth Treatment Coordinator
2. Adele Gallant
Administrator- BCBH
3. Paul Kiernan
LADC Clinical Services Specialist
4. Tanja Godtfredsen
Business Administrator II


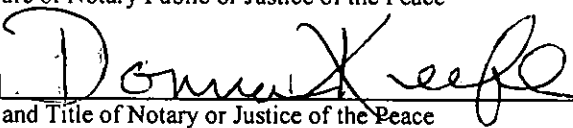
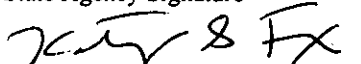
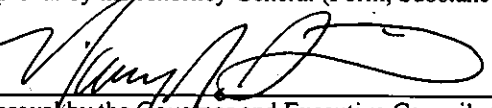
Subject: State Youth Treatment Implementation - Treatment Providers (RFP-2019-DBH-03-STATE-02)

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

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Granite Pathways		1.4 Contractor Address 10 Ferry Street - Suite 319 Concord, NH 03301	
1.5 Contractor Phone Number (603) 493-9751	1.6 Account Number 05-095-092-921010- 20590000-102-500731	1.7 Completion Date 9/30/2021	1.8 Price Limitation \$354,390.
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Patricia Reed, New Hampshire State Director	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> . On <u>5-3-19</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 <u>Donna Keefe Notary</u>			
1.14 State Agency Signature  Date: <u>5/14/19</u>		1.15 Name and Title of State Agency Signatory <u>Katja S. Fox, Director</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) (if applicable) By:  On: <u>5/16/2019</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

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

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

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

14. INSURANCE.

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

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate ; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

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

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

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

19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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



Scope of Services

1. Provisions Applicable to All Services

- 1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 biennia.
- 1.4. For the purposes of this Agreement, the Department has identified the Contractor as a Subrecipient in accordance with 2 CFR 200.0. et seq.

2. Scope of Services

2.1. Infrastructure Development for Outpatient Services

- 2.1.1. The Contractor shall collaborate with the Department to develop and implement an infrastructure that offers a range of direct treatment options within a recovery-oriented system, including outpatient treatment and recovery supports that remain continuously available to youth and transitional aged youth from ages 12 through 25 years of age with Substance Use Disorders and/or Co-occurring Disorders (SUD/COD). The Contractor may offer direct services that include, but are not limited to:

- 2.1.1.1. Screening;
- 2.1.1.2. Assessment;
- 2.1.1.3. Outpatient treatment services;
- 2.1.1.4. Medication Assisted Treatment (MAT); and
- 2.1.1.5. Recovery support services, which:

2.1.1.5.1. May be provided on an individual or group basis.

2.1.1.5.2. Shall be provided by a Certified Recovery Support Worker (CRSW) under the supervision of a Licensed Counselor or a Licensed Supervisor.



- 2.1.2. The Contractor shall ensure its infrastructure supports outpatient treatment options for youth and transitional aged youth with SUD/COD and their families in a manner that improves access and streamlines necessary SUD services.
- 2.1.3. The Contractor shall provide a comprehensive infrastructure development plan that includes timelines and benchmarks no later than thirty (30) days after the contract effective date, for Department approval, that includes, but is not limited to:
 - 2.1.3.1. Methods of recruiting screening and hiring personnel, which includes working directly with Fedcap HR business partner to recruit, screen and hire one (1) MLADC supervisor to be shared between outpatient services and the Residential Adolescent Substance Use Disorder Treatment Facility.
 - 2.1.3.2. An assessment of clinical and recovery staff in order to determine the extent to which staff can be shared between outpatient services and Residential Adolescent Substance Use Disorder Treatment Facility services.
 - 2.1.3.3. A staffing plan that includes training staff in 7 Challenges in accordance with the Department's plan to provide the training.
 - 2.1.3.4. Initiation of credentialing processes for Medicaid and commercial payers.
 - 2.1.3.5. Detailed information regarding the location of the facility/space that will be utilized to provide services within thirty (30) days of the contract effective date.
 - 2.1.3.6. Outreach that will be conducted to engage local community resources, including but not limited to:
 - 2.1.3.6.1. The FAST Forward Program to discuss the process for collaboration and potential referral for cases appropriate to NH Wraparound.
 - 2.1.3.6.2. Local resources in the Greater Manchester Area regarding outpatient services to provide materials and schedule face-to-face meetings to discuss ongoing collaboration and service coordination strategies.
 - 2.1.3.6.3. Peer agencies to plan for standardized training, credentialing and capacity to bill for youth peer support services delivered by and for youth.



2.1.3.6.4. Regional Doorway NH and IDN

- 2.1.3.7. Approach to collaborate with Community Partners and Stakeholders as indicated in Section 2.5 below including, but not limited to, Regional Doorway NH and IDN.
- 2.1.3.8. Copies of marketing material that use the program name Creating Connections NH, as well as a distribution of list.
- 2.1.3.9. Intake policies and procedures for outpatient services, which includes but is not limited to conducting intakes:
 - 2.1.3.9.1. Onsite at the clinic.
 - 2.1.3.9.2. At other facilities or treatment settings, as needed.
- 2.1.3.10. Approach to participating in Creating Connections NH workgroups.
- 2.1.3.11. Family psychoeducation curricula development.

2.2. Outpatient Services

- 2.2.1. The Contractor shall provide outpatient services to eligible clients who include, but are not limited to individuals who:
 - 2.2.1.1. Receive Medication Assisted Treatment (MAT) services from other providers, including the client's primary care provider;
 - 2.2.1.2. Have co-occurring mental health disorders; and
 - 2.2.1.3. Are on medications, and are taking those medications as prescribed, regardless of the class of medication.
- 2.2.2. The Contractor shall obtain written consent for treatment from the parent or legal guardian, in accordance with 42CFR Part 2, prior to providing services. The Contractor shall ensure:
 - 2.2.2.1. Clients who are less than twelve (12) years of age, and their parents, are provided with consent forms.
 - 2.2.2.2. Consent forms contain language for the client, parent or legal guardian, to give consent to share information with social services agencies involved in the client's care, which may include, but are not limited to:
 - 2.2.2.2.1. Department of Health and Human Services, Division for Children, Youth and Families.
 - 2.2.2.2.2. Department of Corrections, Probation and



Parole.

- 2.2.2.3. Services are not withheld if a client refuses to complete the consent form for information sharing.
- 2.2.3. The Contractor shall provide services to an adolescent regardless of:
 - 2.2.3.1. The parent's inability to pay the fee.
 - 2.2.3.2. The parent's unwillingness to pay the fee.
 - 2.2.3.3. The adolescent's decision to receive confidential services pursuant to RSA 318-B:12-a.
- 2.2.4. The Contractor shall ensure youth who are uninsured:
 - 2.2.4.1. Receive services.
 - 2.2.4.2. Are assisted in working with the Department to secure Medicaid, as appropriate.
- 2.2.5. The Contractor shall offer a variety of treatment options:
 - 2.2.5.1. That include individual, family and/or group counseling, within a recovery-oriented system of care model.
 - 2.2.5.2. Are aligned with New Hampshire Revised Statutes Annotated (RSA) 135-F.
 - 2.2.5.3. That include outpatient treatment and recovery supports that remain continuously available, regardless of participation status.
- 2.2.6. The Contractor shall offer the full spectrum of intensive outpatient services per the Medicaid SUD Benefit in accordance with New Hampshire Administrative Rule He-W 513, which includes, but is not limited to:
 - 2.2.6.1. Evidence based SUD/COD treatment services that are accepted under the ASAM criteria
 - 2.2.6.2. Screening and assessment;
 - 2.2.6.3. Opioid Treatment Services;
 - 2.2.6.4. Prescribing pharmaceuticals;
 - 2.2.6.5. Medication Assisted Treatment, in house or may be subcontracted to another provider;
 - 2.2.6.6. Outpatient individual treatment;
 - 2.2.6.7. Group treatment;
 - 2.2.6.8. Family treatment;
 - 2.2.6.9. Referrals to intensive outpatient program, partial hospitalization and inpatient services, as appropriate;



and

- 2.2.6.10. Peer Recovery Support Services.
- 2.2.7. The Contractor shall have efficient intake and delivery which may be an open access or other streamlined intake and assessment model.
- 2.2.8. The Contractor shall utilize an evidence based screening tool approved by the Interagency Council and the Department, which may include:
 - 2.2.8.1. The Global Appraisal of Individual Needs [GAIN, GAIN-Q3, GAIN Q-3 LITE (<http://gaincc.org/instruments/>)]
 - 2.2.8.2. Child and Adolescent Needs and Strengths (CANS).
 - 2.2.8.3. Car, Relax, Alone, Forget, Friends, Trouble, CRAFFT).
 - 2.2.8.4. Another comparable assessment tool that ensures the Contractor's ability to:
 - 2.2.8.4.1. Quickly identify clients.
 - 2.2.8.4.2. Determine behavioral health disorders.
 - 2.2.8.4.3. Determine substance use disorders.
 - 2.2.8.4.4. Determine the need to refer clients to appropriate behavioral health services.
- 2.2.9. The Contractor shall utilize the screening and identification of appropriate level of treatment necessary for each youth through the use of the American Society of Addiction Medicine (ASAM) criteria, which includes, but is not limited to:
 - 2.2.9.1. Acute intoxication and/or withdrawal potential;
 - 2.2.9.2. Biomedical conditions and complications;
 - 2.2.9.3. Emotional, behavioral, or cognitive conditions and complications;
 - 2.2.9.4. Readiness and interest in change;
 - 2.2.9.5. Relapse, continued use or continued problem potential;
 - 2.2.9.6. Recovery/living environment.
- 2.2.10. The Contractor shall ensure Outpatient and Intensive Outpatient Treatment Plans:
 - 2.2.10.1. Are based upon assessment data.
 - 2.2.10.2. Identify the client's clinical needs, treatment goals and objectives.
 - 2.2.10.3. Define the strategy for providing services to meet those



needs, goals and objectives.

- 2.2.10.4. Provide the criteria for terminating specific interventions.
- 2.2.10.5. Include specifications and descriptions of the indicators to be used to assess the individual's progress.
- 2.2.10.6. Include a discharge plan.
- 2.2.11. The Contractor may administratively discharge a client from a program only if:
 - 2.2.11.1. The client's behavior on program premises is abusive, violent, or illegal;
 - 2.2.11.2. The client is non-compliant with prescription medications;
 - 2.2.11.3. Clinical staff have documented therapeutic reasons for discharge, which may include the client's continued use of illegal drugs, or an unwillingness to follow appropriate clinical interventions; or
 - 2.2.11.4. The client violates program rules in a manner that is consistent with the Vendor's progressive discipline policy.
- 2.2.12. The Contractor, or subcontractor, shall administer Medication Assisted Treatment in alignment with NH Bureau of Drug and Alcohol Services Guidance Document on Best Practices, Key Components for Delivering Community-Based Medication Assisted Treatment Services for Opioid Use Disorder in New Hampshire, Second Edition, April 2018, and as amended.
- 2.2.13. The Contractor shall provide family or youth peer support, or subcontract with Family Peer Support and Youth Peer Support agencies to provide this supportive service, to:
 - 2.2.13.1. Youth in outpatient treatment.
 - 2.2.13.2. Families of youth who are in outpatient treatment.

2.3. Client Education

- 2.3.1. The Contractor shall provide client education on topics that include, but are not limited to:
 - 2.3.1.1. Substance Use Disorders.
 - 2.3.1.2. Relapse prevention.
 - 2.3.1.3. Infectious diseases associated with injection drug use,

PAK



including, but not limited to, HIV, hepatitis, and TB.

- 2.3.1.4. Sexually transmitted diseases.
- 2.3.1.5. Emotional, physical, and sexual abuse.
- 2.3.1.6. Nicotine use disorder and cessation options.
- 2.3.1.7. The impact of drug and alcohol use during pregnancy, risks to the fetus, and the importance of informing medical practitioners of drug and alcohol use during pregnancy.
- 2.3.1.8. Group education and counseling.

2.3.2. The Contractor shall maintain an outline of each educational and group therapy session provided.

2.4. Program Requirements

2.4.1. The Contractor shall work in collaboration with all fidelity and quality measurement tools required by the grant, which may include, but are not limited to:

- 2.4.1.1. Training in evidence-based practice, which will be determined by the Department;
- 2.4.1.2. The Seven Challenges and all of its tools (<http://www.sevenchallenges.com>);
- 2.4.1.3. SAMHSA's Government Performance and Results Act (GPRA) qualitative data tool, (<https://www.samhsa.gov/grants/gpra-measurement-tools/csat-gpra>);
- 2.4.1.4. The Screening, Brief Intervention, and Referral to Treatment (SBIRT) assessment (<https://www.samhsa.gov/sbirt/about>); and
- 2.4.1.5. The Child and Adolescent Needs Assessment.

2.4.2. The Contractor shall utilize the Evidence-Based Practice (EBP) of The 7 Challenges for treatment identified by the Interagency Council and recognized by SAMHSA and must remain in compliance with the EBP's delivery and fidelity measures.

2.4.3. The Contractor shall utilize the referral process defined by the Department to a NH Wraparound program local to the client.

2.5. Infrastructure Development with Community Partners and Stakeholders

2.5.1. The Contractor shall collaborate with community partners and stakeholders to develop an infrastructure that improves access and streamlines the necessary SUD services for youth and their families.



The Contractor shall:

- 2.5.1.1. Collaborate with stakeholders to meet the unique needs of an adolescent and transitional aged youth population with SUD/COD diagnosis, while aligning those services with the adult services being provided.
- 2.5.1.2. Collaborate with stakeholders to improve youth and family outcomes.
- 2.5.1.3. Collaborate with the Department and other stakeholders to implement an infrastructure that streamlines services for youth and transitional aged youth with SUD/COD and their families, statewide.
- 2.5.1.4. Build relationships with other youth serving agencies in the community to better support clients served.
- 2.5.1.5. Collaborate with the Children's Mental Health Initiative (CMHI) grantee and share in the framework and values of System of Care (SOC).
- 2.5.1.6. Collaborate with all grant partners for the contract period, which include but are not limited to:
 - 2.5.1.6.1. Youth M.O.V.E. NH;
 - 2.5.1.6.2. NAMI NH;
 - 2.5.1.6.3. SYT-I Interagency Council
 - 2.5.1.6.4. Sununu Youth Services Center's SUD Treatment Center
 - 2.5.1.6.5. NH Care Management Entity;
 - 2.5.1.6.6. Human Services Research Institute (HSRI), the Grant Evaluation Contractor;
 - 2.5.1.6.7. University of New Hampshire's Institute on Disability (UNH-IOD), the Grant Workforce Development Contractor.
- 2.5.1.7. Have one (1) staff representative participate in the monthly Interagency Council (IAC) meetings.
- 2.5.1.8. Participate in a minimum of one (1) focus group and any additional focus groups that are requested by the Workforce Contractor.
- 2.5.1.9. Collaborate with mental health treatment providers currently serving the targeted youth.
- 2.5.1.10. Engage each youth with a mental health treatment provider, should the youth not be associated with one at the onset of



SUD treatment.

- 2.5.1.11. Collaborate with the approved NH Care Management Entity (CME) to utilize the NH Wraparound approach for a maximum of twenty (20) appropriately identified youth per year
- 2.5.1.12. Continue existing relationships with other SUD treatment providers to ensure youth have access to the full continuum of care.
- 2.5.1.13. Develop a relationship with any local youth serving organizations in order to identify youth in need, education regarding addiction and outpatient treatment options and connection to youth enrichment programs for youth in outpatient treatment by identified vendors which include, but are not limited to:
 - 2.5.1.13.1. The YWCA/YMCA.
 - 2.5.1.13.2. Boys and Girls Club.
 - 2.5.1.13.3. Girls Inc.
- 2.5.1.14. Foster connections with the local Integrated Delivery Network (IDN) in New Hampshire to ensure continuity in service delivery for individuals served.
- 2.5.1.15. Foster connections with the local/regional SUD HUB for treatment and recovery in order to align treatment modalities.
- 2.5.1.16. Collaborate with the Residential Adolescent Substance Use Disorder Treatment Facility, should a youth required a period of treatment in a residential facility while they are participating in the Vendor's Intensive Outpatient Treatment Plan (IOTP).
- 2.5.1.17. Accept referrals from and prioritize those coming from the Residential Adolescent Substance Use Disorder Treatment Facility for outpatient treatment.
- 2.5.2. The Contractor shall participate in the Provider Collaborative to collaborate on what services and gaps exist statewide, and how to best meet the clients' needs.
- 2.5.3. The Contractor shall attend any SYT-I Grantee meetings facilitated by SMAHSA in the greater Washington DC area, which typically occurs every two (2) years, with the next meeting is anticipated to be held in June 2020.
- 2.5.4. The Contractor shall ensure a minimum of one (1) staff member or subcontractor to attend the Medication Assisted Treatment (MAT)



Community of Practice and the accompanying Google Group.

2.6. Training

- 2.6.1. The entire project must serve 400 unduplicated youth, collectively, for the duration of the contract period. Each of the Contractor will be assigned a percentage of the youth, based upon its population penetration for New Hampshire.
- 2.6.2. The Contractor shall identify staff who will attend the NH Wraparound training.
- 2.6.3. The Contractor shall identify a minimum of one (1) staff member to participate in multiple trainings during the contract period, which shall include, but is not limited to:
 - 2.6.3.1. Culturally and Linguistically Appropriate Standards (CLAS);
 - 2.6.3.2. Cultural Diversity; and
 - 2.6.3.3. NH Wraparound.

3. Data

- 3.1. The Contractor shall work with the survey tool, "Government Performance and Results Act (GPRA)" and all other fidelity measures and quality measures as required by the grant, acknowledging that reporting data may include, but is not limited to:
 - 3.1.1. Services offered;
 - 3.1.2. Youth served; and
 - 3.1.3. Population Demographics. Of the 400 youth to be served, a breakdown of subpopulations may include, but not be limited to:
 - 3.1.3.1. American Indian/Alaskan Native: 1;
 - 3.1.3.2. Asian or Pacific Islander: 13
 - 3.1.3.3. Hispanic: 23
 - 3.1.3.4. Black Non-Hispanic: 8
 - 3.1.3.5. Multi-Race: 10
 - 3.1.3.6. LGBT: 20
- 3.2. The Contractor shall work with grant contractors to gather enrollment data, CLAS and Cultural and Linguistic Competence (CLC) data.
- 3.3. The Contractor shall work with the DHHS Behavioral Health Cultural and Linguistic Competence Coordinator to align data collection with CLC and CLAS standards, including Racial Ethnic and Linguistic (REAL) and Sexual Orientation Gender Identity (SOGI) data collection.
- 3.4. The Contractor shall maintain proper security and privacy controls on its



systems to ensure that data is protected throughout its lifecycle.

- 3.5. The Contractor shall de-identify and aggregate data.
- 3.6. The Contractor shall utilize a secure file transfer – as reviewed and approved by the DHHS Information Security Office- to submit data to the Department and/or stakeholders.
- 3.7. The Contractor shall follow the procedure for all data collected as outlined in He-W 513 and 42 CFR Part 2, which includes, but is not limited to signed releases and client protection prior to sharing any de-identified and aggregated data.
- 3.8. The Contractor shall submit monthly reports relating to the data collected as identified in Section 3.3.

4. Reporting

- 4.1. The Contractor shall provide the Department with quarterly reports on Client attendance, including, but not limited to, the following information:
 - 4.1.1. Percentage of clients completing treatment on terms consistent with their plan of care;
 - 4.1.2. The number of follow ups on clients who did not show up to appointments;
 - 4.1.3. Client adherence to the attendance policy; and
 - 4.1.4. Percentage of clients who attended their scheduled intake interview.
- 4.2. The Contractor shall provide the Department with quarterly reports on Client life plan and safety plans, as applicable, including, but not limited to, the following information:
 - 4.2.1. Percentage of clients who show significant progress toward life plan goals;
 - 4.2.2. Percentage of clients actively participating in life plan creation and the updating process; and
 - 4.2.3. Percentage of clients screened positively for suicidality that show improvement.
- 4.3. The Contractor shall provide the Department with quarterly reports on client-family engagement, including, but not limited to, the following information:
 - 4.3.1. Percentage of adolescent Clients whose family members effectively engage with the Client; and
 - 4.3.2. Percentage of Clients whose family members engage in prescribed family therapy.

5. Performance Measures

- 5.1. The Contractors performance to carry out the scope of services in this agreement will be continuously assessed on, but not limited to, data reported,



in reporting Section 4 Reporting and site visits.

6. Deliverables

- 6.1. The Contractor shall submit monthly progress reports within ten (10) days following the month being reviewed.
- 6.2. The Contractor shall submit monthly reports which relate to the data collected, as identified in Section 3.3.
- 6.3. The Contractor shall provide the infrastructure plan in Section 2.1 within 30 days of the contract effective date.
- 6.4. The Contractor must serve a total of 100 unduplicated youth, during the project period.
- 6.5. The Contractor must participate in monthly Interagency Council meetings.
- 6.6. The Contractor must submit an annual report within twenty (20) days of the close of the Federal Fiscal Year, and at the end of the contract period.
- 6.7. The Contractor shall participate in all annual site reviews in conjunction with the other contracted treatment providers for this program.
- 6.8. The Contractor shall provide data to the Department on a quarterly basis relative to:
 - 6.8.1. Client demographics.
 - 6.8.2. Treatment provided.
 - 6.8.3. Compliance with the Medication Assisted Treatment
- 6.9. The Contractor shall provide an estimated twenty (20) youth, per year, with NH Wraparound services.

7. General Confidentiality and Privacy Compliance

- 7.1. The Contractor shall agree that if the performance of services on behalf of DHHS involves the creation, receipt, collection, transmission, maintenance, storage, or disposition of confidential information, including but not limited to: personal information (PI), protected health information (PHI), personal financial information (PFI) or other confidential information, the Contractor shall be required to safeguard that information as required by the applicable state rule, and state and federal laws. If performance of the services on behalf of DHHS involve the receipt, collection, transmission, storage, or disposition of confidential information relating to an individual's substance use disorder treatment, the Contractor shall safeguard the 42 CFR Part 2 information as required, and shall ensure compliance with all consent and notice requirements prohibiting re-disclosure as required by 42 CFR Part 2.
- 7.2. The Contractor shall have in place practices and procedures, and provide its staff, subcontractors, or end users, as defined in Exhibit K, with periodic training in practices and procedures to ensure compliance with information security,



privacy or confidentiality rules and state and federal laws.

- 7.3. The Contractor shall agree that reporting requirements of the contract will state whether the information to be reported will be de-identified, aggregate, or include PHI, PII, PFI, or other confidential information. All reporting of confidential information, PHI, PI, or PFI must comply with all state rules, and state or federal law, and comply with the "minimum necessary requirement" found in 45 CFR 164 using the minimum confidential information needed to accomplish the goal of the contract. Contractor must safeguard the 42 CFR Part 2 information as required, and must ensure compliance with all consent and notice requirements prohibiting re-disclosure as required by 42 CFR Part 2.

**New Hampshire Department of Health and Human Services
STATE YOUTH TREATMENT IMPLEMENTATION – TREATMENT
PROVIDERS**



Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided pursuant to Exhibit A, Scope of Services.
2. This Agreement is funded with federal funds as follows: 100% Federal Funds from U. S. Department of health and Human Services, Substance Abuse and Mental Health Services Administration, Catalog of Federal Domestic Assistance (CFDA) #93.243, Federal Award Identification Number (FAIN), TI080192.
3. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.
4. The Contractor must budget approximately \$4,000 which will cover the cost of the annual site visit and fidelity fee of The Seven Challenges for each year of the grant period.
5. New Hampshire Medicaid will be the primary funding source for a client's participation in NH Wraparound. Should a client not have the necessary insurance to participate in the NH Wraparound program, then the Vendor will be expected to pay the Care Management Entity (CME) for that participation with grant funds for the duration of the grant period.
6. The Contractor must work concurrently with the Department to secure Medicaid (<http://www.dhhs.nh.gov/ombp/medicaid/>) for those uninsured youth, when appropriate.
7. Payment for services of youth who are uninsured will be from the Department upon receipt of an invoice from the Contractor.
8. Payment for said services shall be made monthly as follows:
 - 8.1. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and shall be in accordance with the approved line item, as specified in Exhibits B-1, Budget through Exhibit B-4, Budget.
 - 8.2. Invoice format will be provided by the Department.
 - 8.3. The Contractor shall submit invoices by the fifteenth (15th) working day of the month, subsequent to the services being provided.
 - 8.4. The Contractor shall ensure the invoice is completed, signed, dated and returned to the Department in order to initiate payment.
 - 8.5. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

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**New Hampshire Department of Health and Human Services
STATE YOUTH TREATMENT IMPLEMENTATION – TREATMENT
PROVIDERS**

Exhibit B

9. The Contractor shall keep detailed records of their activities related to Department-funded programs and services and have records available for Department review, as requested.
10. The final invoice shall be due to the State no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
11. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed to Donna.Walker@dhhs.nh.gov, or invoices may be mailed to:

Financial Administrator
Department of Health and Human Services
Division for Behavioral Health
129 Pleasant Street
Concord, NH 03301

12. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.
13. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.
14. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts between budget line items, related items, amendments of related budget exhibits within the price limitation, and to adjusting encumbrances between State Fiscal Years, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.

New Hampshire Department of Health and Human Services										
Bidder/Program Name:			State Youth Treatment Implementation - Treatment Providers							
Budget Request for:			Granite Pathways							
Budget Period:			SFY 19 (Upon approval by GAC - June 30, 2019)							
Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS Contract share			
	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total	
1. Total Salary/Wages	\$ 176,281	\$ 21,154	\$ 197,435	\$ 137,499	\$ 16,500	\$ 153,999	\$ 38,782	\$ 4,654	\$ 43,436	
2. Employee Benefits	\$ 59,935	\$ 7,182	\$ 67,127	\$ 46,749	\$ 5,610	\$ 52,359	\$ 13,186	\$ 1,582	\$ 14,768	
3. Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4. Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Rental	\$ 1,500	\$ 180	\$ 1,680	\$ 1,170	\$ 140	\$ 1,310	\$ 330	\$ 40	\$ 370	
Repair and Maintenance	\$ 3,000	\$ 360	\$ 3,360	\$ 2,340	\$ 281	\$ 2,621	\$ 660	\$ 79	\$ 739	
Purchase/Depreciation	\$ 40,000	\$ 4,800	\$ 44,800	\$ 31,718	\$ 3,806	\$ 35,524	\$ 8,282	\$ 994	\$ 9,276	
5. Supplies:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Educational	\$ 2,500	\$ 300	\$ 2,800	\$ 1,950	\$ 234	\$ 2,184	\$ 550	\$ 66	\$ 616	
Lab	\$ 3,000	\$ 360	\$ 3,360	\$ 2,340	\$ 281	\$ 2,621	\$ 660	\$ 79	\$ 739	
Pharmacy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Office	\$ 480	\$ 58	\$ 538	\$ 374	\$ 45	\$ 419	\$ 106	\$ 13	\$ 119	
6. Travel	\$ 1,200	\$ 144	\$ 1,344	\$ 936	\$ 112	\$ 1,048	\$ 264	\$ 32	\$ 296	
7. Occupancy	\$ 20,400	\$ 2,448	\$ 22,848	\$ 15,912	\$ 1,909	\$ 17,821	\$ 4,488	\$ 539	\$ 5,027	
8. Current Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Telephone	\$ 2,700	\$ 324	\$ 3,024	\$ 2,106	\$ 253	\$ 2,359	\$ 594	\$ 71	\$ 665	
Postage	\$ 120	\$ 14	\$ 134	\$ 94	\$ 11	\$ 105	\$ 26	\$ 3	\$ 29	
Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Insurance	\$ 900	\$ 108	\$ 1,008	\$ 702	\$ 84	\$ 786	\$ 198	\$ 24	\$ 222	
Board Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
9. Software	\$ 4,200	\$ 504	\$ 4,704	\$ 3,276	\$ 393	\$ 3,669	\$ 924	\$ 111	\$ 1,035	
10. Marketing/Communications	\$ 5,900	\$ 708	\$ 6,608	\$ 4,602	\$ 552	\$ 5,154	\$ 1,290	\$ 156	\$ 1,446	
11. Staff Education and Training	\$ 5,000	\$ 600	\$ 5,600	\$ 3,900	\$ 468	\$ 4,368	\$ 1,100	\$ 132	\$ 1,232	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
13. Other (specific details mandatory)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Licensing & Certification	\$ 4,500	\$ 540	\$ 5,040	\$ 3,510	\$ 421	\$ 3,931	\$ 990	\$ 119	\$ 1,109	
Startup Expenses	\$ 107,064	\$ 12,848	\$ 119,912	\$ 83,510	\$ 10,021	\$ 93,531	\$ 23,554	\$ 2,826	\$ 26,380	
Internet Services	\$ 2,220	\$ 266	\$ 2,486	\$ 1,732	\$ 206	\$ 1,940	\$ 488	\$ 59	\$ 547	
Seven Challenges	\$ 4,000	\$ 480	\$ 4,480	\$ 3,120	\$ 374	\$ 3,494	\$ 880	\$ 108	\$ 988	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL	\$ 444,900	\$ 53,388	\$ 498,288	\$ 347,640	\$ 41,705	\$ 389,345	\$ 97,360	\$ 11,683	\$ 109,043	

Indirect As A Percent of Direct

12.6%

New Hampshire Department of Health and Human Services											
Bidder/Program Name: State Youth Treatment Implementation - Treatment Providers											
Budget Request for: Granite Pathways											
Budget Period: SFY 20 (July 1, 2019 - June 30, 2020)											
	Total Program Cost			Contractor Share/Match			Funded by DHHS (contract share)				
Line Item	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total		
1. Total Salary/Wages	\$ 352,561	\$ 42,307	\$ 394,868	\$ 292,626	\$ 35,115	\$ 327,741	\$ 59,935	\$ 7,192	\$ 67,127		
2. Employee Benefits	\$ 119,871	\$ 14,385	\$ 134,256	\$ 99,493	\$ 11,939	\$ 111,432	\$ 20,378	\$ 2,445	\$ 22,823		
3. Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
4. Equipment:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Rental	\$ 3,000	\$ 360	\$ 3,360	\$ 2,490	\$ 299	\$ 2,789	\$ 510	\$ 61	\$ 571		
Repair and Maintenance	\$ 6,000	\$ 720	\$ 6,720	\$ 4,960	\$ 598	\$ 5,558	\$ 1,020	\$ 122	\$ 1,142		
Purchase/Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
5. Supplies:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Educational	\$ 2,500	\$ 300	\$ 2,800	\$ 2,075	\$ 249	\$ 2,324	\$ 425	\$ 51	\$ 476		
Lab	\$ 6,000	\$ 720	\$ 6,720	\$ 4,960	\$ 598	\$ 5,558	\$ 1,020	\$ 122	\$ 1,142		
Pharmacy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Medical	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Office	\$ 960	\$ 115	\$ 1,075	\$ 797	\$ 96	\$ 893	\$ 163	\$ 20	\$ 183		
6. Travel	\$ 2,400	\$ 288	\$ 2,688	\$ 1,992	\$ 239	\$ 2,231	\$ 408	\$ 49	\$ 457		
7. Occupancy	\$ 40,800	\$ 4,896	\$ 45,696	\$ 33,664	\$ 4,064	\$ 37,728	\$ 6,936	\$ 832	\$ 7,768		
8. Current Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Telephone	\$ 3,600	\$ 432	\$ 4,032	\$ 2,988	\$ 359	\$ 3,347	\$ 612	\$ 73	\$ 685		
Postage	\$ 1,800	\$ 216	\$ 2,016	\$ 1,494	\$ 179	\$ 1,673	\$ 306	\$ 37	\$ 343		
Subscriptions	\$ 240	\$ 29	\$ 269	\$ 199	\$ 24	\$ 223	\$ 41	\$ 5	\$ 46		
Audit and Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Insurance	\$ 1,800	\$ 216	\$ 2,016	\$ 1,494	\$ 179	\$ 1,673	\$ 306	\$ 37	\$ 343		
Board Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
9. Software	\$ 8,400	\$ 1,008	\$ 9,408	\$ 6,972	\$ 837	\$ 7,809	\$ 1,428	\$ 171	\$ 1,599		
10. Marketing/Communications	\$ 6,800	\$ 816	\$ 7,616	\$ 5,043	\$ 605	\$ 5,648	\$ 1,757	\$ 211	\$ 1,968		
11. Staff Education and Training	\$ 4,000	\$ 480	\$ 4,480	\$ 3,320	\$ 398	\$ 3,718	\$ 680	\$ 82	\$ 762		
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Internet Services	\$ 4,440	\$ 533	\$ 4,973	\$ 3,685	\$ 442	\$ 4,127	\$ 755	\$ 91	\$ 846		
Seven Challenges	\$ 4,000	\$ 480	\$ 4,480	\$ 3,320	\$ 398	\$ 3,718	\$ 680	\$ 82	\$ 762		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
TOTAL	\$ 569,172	\$ 68,301	\$ 637,473	\$ 471,812	\$ 56,617	\$ 528,429	\$ 97,360	\$ 11,683	\$ 109,043		
Indirect As A Percent of Direct 12.0%											

New Hampshire Department of Health and Human Services										
Bidder/Program Name: State Youth Treatment Implementation - Treatment Providers										
Budget Request for: Granite Pathways										
Budget Period: SFY 21 (July 1, 2020 - June 30, 2021)										
Line Item	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total	Funded by DHHS contract share
1. Total Salary/Wages	\$ 352,561	\$ 42,307	\$ 394,868	\$ 292,626	\$ 35,115	\$ 327,741	\$ 59,935	\$ 7,182	\$ 67,127	
2. Employee Benefits	\$ 119,871	\$ 14,385	\$ 134,256	\$ 99,493	\$ 11,939	\$ 111,432	\$ 20,378	\$ 2,445	\$ 22,823	
3. Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Rental	\$ 3,000	\$ 360	\$ 3,360	\$ 2,490	\$ 299	\$ 2,789	\$ 510	\$ 61	\$ 571	
Repair and Maintenance	\$ 6,000	\$ 720	\$ 6,720	\$ 4,980	\$ 598	\$ 5,578	\$ 1,020	\$ 122	\$ 1,142	
Purchase/Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Educational	\$ 2,500	\$ 300	\$ 2,800	\$ 2,075	\$ 249	\$ 2,324	\$ 425	\$ 51	\$ 476	
Lab	\$ 6,000	\$ 720	\$ 6,720	\$ 4,980	\$ 598	\$ 5,578	\$ 1,020	\$ 122	\$ 1,142	
Pharmacy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Office	\$ 960	\$ 115	\$ 1,075	\$ 797	\$ 98	\$ 893	\$ 163	\$ 20	\$ 183	
6. Travel	\$ 2,400	\$ 288	\$ 2,688	\$ 1,992	\$ 239	\$ 2,231	\$ 406	\$ 49	\$ 457	
7. Occupancy	\$ 40,800	\$ 4,896	\$ 45,696	\$ 33,664	\$ 4,064	\$ 37,928	\$ 6,936	\$ 832	\$ 7,768	
8. Current Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Telephone	\$ 3,600	\$ 432	\$ 4,032	\$ 2,968	\$ 359	\$ 3,347	\$ 612	\$ 73	\$ 685	
Postage	\$ 1,800	\$ 216	\$ 2,016	\$ 1,494	\$ 179	\$ 1,673	\$ 306	\$ 37	\$ 343	
Subscriptions	\$ 240	\$ 29	\$ 269	\$ 199	\$ 24	\$ 223	\$ 41	\$ 5	\$ 46	
Audit and Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Insurance	\$ 1,800	\$ 216	\$ 2,016	\$ 1,494	\$ 179	\$ 1,673	\$ 306	\$ 37	\$ 343	
Board Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
9. Software	\$ 8,400	\$ 1,008	\$ 9,408	\$ 6,972	\$ 837	\$ 7,809	\$ 1,428	\$ 171	\$ 1,599	
10. Marketing/Communications	\$ 6,800	\$ 816	\$ 7,616	\$ 5,043	\$ 605	\$ 5,648	\$ 1,757	\$ 211	\$ 1,968	
11. Staff Education and Training	\$ 4,000	\$ 480	\$ 4,480	\$ 3,320	\$ 398	\$ 3,718	\$ 680	\$ 82	\$ 762	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Internet Services	\$ 4,440	\$ 533	\$ 4,973	\$ 3,685	\$ 442	\$ 4,127	\$ 755	\$ 91	\$ 846	
Seven Challenges	\$ 4,000	\$ 480	\$ 4,480	\$ 3,320	\$ 398	\$ 3,718	\$ 680	\$ 82	\$ 762	
TOTAL	\$ 569,172	\$ 68,301	\$ 637,473	\$ 471,812	\$ 56,617	\$ 528,429	\$ 97,360	\$ 11,683	\$ 109,043	
Indirect As A Percent of Direct 12.6%										

New Hampshire Department of Health and Human Services										
Bidder/Program Name: State Youth Treatment Implementation - Treatment Providers										
Budget Request for: Granite Pathways										
Budget Period: SFY 22 (July 1, 2021 - Sept. 30, 2021)										
Line Item	Total Program Cost			Contractor Share/Match			Funded by DHHS contract share			
	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total	Total
1. Total Salary/Wages	\$ 88,140	\$ 10,577	\$ 98,717	\$ 73,156	\$ 8,779	\$ 81,935	\$ 14,884	\$ 1,798	\$ 16,682	
2. Employee Benefits	\$ 29,968	\$ 3,596	\$ 33,564	\$ 24,873	\$ 2,985	\$ 27,858	\$ 5,095	\$ 611	\$ 5,706	
3. Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Rental	\$ 750	\$ 90	\$ 840	\$ 622	\$ 75	\$ 697	\$ 128	\$ 15	\$ 143	
Repair and Maintenance	\$ 1,500	\$ 180	\$ 1,680	\$ 1,245	\$ 149	\$ 1,394	\$ 255	\$ 31	\$ 286	
Purchase/Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Educational	\$ 625	\$ 75	\$ 700	\$ 519	\$ 62	\$ 581	\$ 108	\$ 13	\$ 119	
Lab	\$ 1,500	\$ 180	\$ 1,680	\$ 1,245	\$ 149	\$ 1,394	\$ 255	\$ 31	\$ 286	
Pharmacy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Office	\$ 240	\$ 29	\$ 269	\$ 199	\$ 24	\$ 223	\$ 41	\$ 5	\$ 46	
6. Travel	\$ 600	\$ 72	\$ 672	\$ 498	\$ 60	\$ 558	\$ 102	\$ 12	\$ 114	
7. Occupancy	\$ 10,200	\$ 1,224	\$ 11,424	\$ 8,466	\$ 1,016	\$ 9,482	\$ 1,734	\$ 208	\$ 1,942	
8. Current Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Telephone	\$ 1,350	\$ 162	\$ 1,512	\$ 1,120	\$ 134	\$ 1,254	\$ 230	\$ 28	\$ 258	
Postage	\$ 60	\$ 7	\$ 67	\$ 50	\$ 6	\$ 56	\$ 10	\$ 1	\$ 11	
Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Insurance	\$ 450	\$ 54	\$ 504	\$ 373	\$ 45	\$ 418	\$ 77	\$ 9	\$ 86	
Board Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
9. Software	\$ 2,100	\$ 252	\$ 2,352	\$ 1,743	\$ 209	\$ 1,952	\$ 357	\$ 43	\$ 400	
10. Marketing/Communications	\$ 450	\$ 54	\$ 504	\$ 353	\$ 42	\$ 395	\$ 97	\$ 12	\$ 109	
11. Staff Education and Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Internet Services	\$ 1,110	\$ 133	\$ 1,243	\$ 921	\$ 111	\$ 1,032	\$ 189	\$ 23	\$ 212	
Seven Challenges	\$ 4,000	\$ 480	\$ 4,480	\$ 3,320	\$ 398	\$ 3,718	\$ 680	\$ 82	\$ 762	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL	\$ 143,043	\$ 17,165	\$ 160,208	\$ 118,703	\$ 14,244	\$ 132,947	\$ 24,340	\$ 2,921	\$ 27,261	
Indirect As A Percent of Direct 12.0%										



SPECIAL PROVISIONS

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

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



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

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

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

New Hampshire Department of Health and Human Services
Exhibit C



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

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



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

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

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

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

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

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



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

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

20. Contract Definitions:

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



New Hampshire Department of Health and Human Services
Exhibit C-1

REVISIONS TO STANDARD CONTRACT LANGUAGE

1. Revisions to Form P-37, General Provisions

1.1. Section 4, 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.

1.2. Section 10, 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.

2. Renewal

- 2.1. The Department reserves the right to extend this agreement for up to one (1) additional year, contingent upon satisfactory delivery of services, available funding, written agreement of the parties and approval of the Governor and Executive Council.

pmr



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS

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

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

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

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

New Hampshire Department of Health and Human Services
Exhibit D



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

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

Place of Performance TBD

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

Contractor Name: Granite Pathways

5/3/19
Date


Name: Patricia Reed
Title:



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

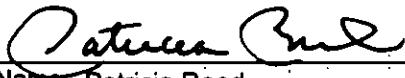
The undersigned certifies, to the best of his or her knowledge and belief, that:

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: Granite Pathways

5/3/19
Date


Name: Patricia Reed
Title: New Hampshire State 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



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

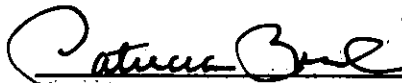
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - 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: Granite Pathways

5/3/19
Date


Name: Patricia Reed
Title: New Hampshire State Director



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

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

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

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

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

Exhibit G

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

Contractor Initials

pmr

New Hampshire Department of Health and Human Services
Exhibit G



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

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

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

Contractor Name: Granite Pathways

5/3/19
Date


Name: Patricia Reed
Title: New Hampshire State Director

Exhibit G

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

Contractor Initials pmr



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: Granite Pathways

5/3/19
Date


Name: Patricia Reed
Title: New Hampshire State Director



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) **Definitions.**

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



Exhibit I

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

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

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

PMR



Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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

PMR



Exhibit I

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

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

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Exhibit I

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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

pmr



Exhibit I

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

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

Department of Health and Human Services

The State

Katya S Fox
Signature of Authorized Representative

Katya S Fox
Name of Authorized Representative

Director
Title of Authorized Representative

5/8/19
Date

Granite Pathways

Name of the Contractor

Patricia Reed
Signature of Authorized Representative

Patricia Reed
Name of Authorized Representative

New Hampshire State Director
Title of Authorized Representative

5/3/19
Date



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

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

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

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


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

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

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

Contractor Name: Granite Pathways

5/3/19
Date


Name: Patricia Reed
Title: New Hampshire State Director

New Hampshire Department of Health and Human Services
Exhibit J



FORM A

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

1. The DUNS number for your entity is: 019392707
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: _____

DHHS Information Security Requirements



A. Definitions

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

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

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

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

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DHHS Information Security Requirements



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

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

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

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

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DHHS Information Security Requirements



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

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

II. METHODS OF SECURE TRANSMISSION OF DATA

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

DHHS Information Security Requirements



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

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

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

A. Retention

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

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DHHS Information Security Requirements



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

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

B: Disposition

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

IV. PROCEDURES FOR SECURITY

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

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DHHS Information Security Requirements



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

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DHHS Information Security Requirements



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

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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

V. LOSS REPORTING

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

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

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

DHHS Information Security Requirements



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

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

VI. PERSONS TO CONTACT:

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

State of New Hampshire

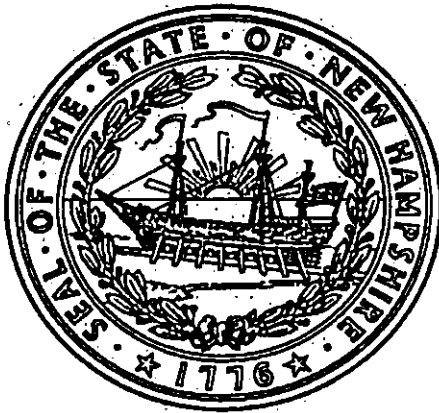
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that GRANITE PATHWAYS is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 08, 2009. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 613581

Certificate Number: 0004486191



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 2nd day of April A.D. 2019.

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, William T. Rider, do hereby certify that:
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Granite Pathways.
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of
the Agency duly held on 2-28-19.
(Date)

RESOLVED: That the New Hampshire State Director
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of
the 3rd day of May, 2019.
(Date Contract Signed)

4. Patricia Reed is the duly elected New Hampshire State Director
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

William T. Rider
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 3rd day of May, 2019.

By William T. Rider
(Name of Elected Officer of the Agency)

DONNA KEEFE
Notary Public - New Hampshire
My Commission Expires September 7, 2021

(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 9-7-21

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/02/2019

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

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

PRODUCER USI Insurance Services LLC. 333 Westchester Ave, Suite 102 White Plains, NY 10604 914 459-6200	CONTACT NAME: Khalil Elaiouni	
	PHONE (A/C, No, Ext): 914 459-6200	FAX (A/C, No): 610 537-4220
	E-MAIL ADDRESS: khalil.elaiouni@usi.com	
INSURED Granite Pathways, Inc. 303 Belmont Street Manchester, NH 03103	INSURER(S) AFFORDING COVERAGE	
	INSURER A : Berkshire Hathaway Specialty Ins Co.	
	INSURER B : Berkshire Hathaway Homestate Companies	
	INSURER C :	
	INSURER D :	
	INSURER E :	
INSURER F :		

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WYD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		47SPK25564203	09/30/2018	09/30/2019	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$20,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMPIOP AGG \$3,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/>		47RWS14808204	09/30/2018	09/30/2019	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10000		47SUM14808304	09/30/2018	09/30/2019	EACH OCCURRENCE \$25,000,000 AGGREGATE \$25,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	FEWC9211281	12/11/2018	12/11/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	Professional Liab		47SPK25564203	09/30/2018	09/30/2019	\$3mm Agg/\$1mm Occ
A	Abuse & Molest.		47SPK25564203	09/30/2018	09/30/2019	\$3mm Agg/\$1mm Occ

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

State of New Hampshire Department of Health and Human Services is included as additional insured as required by written contract.

CERTIFICATE HOLDER

CANCELLATION

State of New Hampshire, Department of Health and Human Services
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

Will Scott



Our Mission

Our mission is to support individuals with substance use disorders and mental illness in achieving their life goals as valued members of their community.

Granite Pathways develops innovative, and sustainable solutions that are changing people's lives.

Consolidated Financial Statements Together with
Report of Independent Certified Public Accountants

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES

September 30, 2018 and 2017

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES

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GRANT THORNTON LLP
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
FEDCAP Rehabilitation Services, Inc.:

We have audited the accompanying consolidated financial statements of FEDCAP Rehabilitation Services, Inc. and Subsidiaries (collectively, "FEDCAP"), which comprise the consolidated statements of financial position as of September 30, 2018 and 2017, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 FEDCAP'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 FEDCAP's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of FEDCAP Rehabilitation Services, Inc. and Subsidiaries as of September 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary 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 audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

New York, New York
April 8, 2019

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Financial Position
As of September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 10,814,947	\$ 14,353,025
Accounts receivable (net of allowance for doubtful accounts of approximately \$4,622,800 in 2018 and \$1,476,000 in 2017)	44,128,183	42,224,021
Contributions and grants receivable (net of allowance for uncollectible contributions of approximately \$250,000 in 2018 and \$0 in 2017)	1,296,528	3,085,378
Inventories, net	244,690	402,669
Prepaid expenses and other assets	9,413,702	5,120,104
Total current assets	<u>65,898,050</u>	<u>65,185,197</u>
Investments	18,227,270	14,724,135
Property, plant and equipment, net	82,070,717	74,924,787
Art objects	43,950	21,750
Beneficial interest in remainder trust	4,646,739	628,759
Other assets	1,135,754	108,000
Total assets	<u>\$ 172,022,480</u>	<u>\$ 155,592,628</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$ 37,108,748	\$ 32,382,996
Deferred revenues	4,129,907	5,064,293
Advances from government agency	1,485,361	1,500,000
Current revolving loans	17,853,273	14,653,273
Current portion of obligation under capital leases	1,944,244	1,672,075
Notes payable, current	1,099,081	674,420
Total current liabilities	63,620,614	55,947,057
LONG-TERM LIABILITIES		
Capital lease obligation	35,351,613	34,867,513
Notes payable	31,337,292	22,750,756
Revolving loan	-	3,000,000
Other liabilities	4,670,840	3,407,780
Total liabilities	<u>134,980,359</u>	<u>119,973,106</u>
Commitments and contingencies		
NET ASSETS		
Unrestricted	28,407,688	32,810,556
Temporarily restricted	6,678,580	2,224,538
Permanently restricted	1,955,853	584,428
Total net assets	<u>37,042,121</u>	<u>35,619,522</u>
Total liabilities and net assets	<u>\$ 172,022,480</u>	<u>\$ 155,592,628</u>

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

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Activities
For the years ended September 30, 2018 and 2017

	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES								
Contract services and products	\$ 107,418,632	\$ -	\$ -	\$ 107,418,632	\$ 102,267,073	\$ -	\$ -	\$ 102,267,073
Rehabilitation and vocational programs	154,317,661	-	-	154,317,661	137,272,899	-	-	137,272,899
Contributions and grants	22,664,418	50,000	-	22,714,418	13,067,009	1,434,417	-	14,501,426
Inherent contribution	4,841,419	7,249,586	1,371,425	13,462,430	1,985,805	-	-	1,985,805
Unrealized gains on investments	554,658	-	-	554,658	976,558	-	-	976,558
Interest income	347,997	-	-	347,997	319,607	-	-	319,607
Miscellaneous revenue	484,910	-	-	484,910	1,180,845	-	-	1,180,845
Net assets released from restrictions	2,845,544	(2,845,544)	-	-	779,151	(779,151)	-	-
Total revenues	<u>293,475,239</u>	<u>4,454,042</u>	<u>1,371,425</u>	<u>299,300,706</u>	<u>257,848,947</u>	<u>655,266</u>	<u>-</u>	<u>258,504,213</u>
EXPENSES								
Program services:								
Contract services and products	94,956,101	-	-	94,956,101	91,718,680	-	-	91,718,680
Rehabilitation and vocational programs	161,461,598	-	-	161,461,598	131,181,632	-	-	131,181,632
	<u>256,417,699</u>	<u>-</u>	<u>-</u>	<u>256,417,699</u>	<u>222,900,312</u>	<u>-</u>	<u>-</u>	<u>222,900,312</u>
Supporting services:								
Management and general	39,594,457	-	-	39,594,457	33,702,035	-	-	33,702,035
Development	1,865,951	-	-	1,865,951	1,612,479	-	-	1,612,479
	<u>41,460,408</u>	<u>-</u>	<u>-</u>	<u>41,460,408</u>	<u>35,314,514</u>	<u>-</u>	<u>-</u>	<u>35,314,514</u>
Total expenses	<u>297,878,107</u>	<u>-</u>	<u>-</u>	<u>297,878,107</u>	<u>258,214,826</u>	<u>-</u>	<u>-</u>	<u>258,214,826</u>
Change in net assets	(4,402,868)	4,454,042	1,371,425	1,422,599	(365,879)	655,266	-	289,387
Net assets at beginning of year	<u>32,810,556</u>	<u>2,224,538</u>	<u>584,428</u>	<u>35,619,522</u>	<u>33,176,435</u>	<u>1,569,272</u>	<u>584,428</u>	<u>35,330,135</u>
Net assets at end of year	<u>\$ 28,407,688</u>	<u>\$ 6,678,580</u>	<u>\$ 1,955,853</u>	<u>\$ 37,042,121</u>	<u>\$ 32,810,556</u>	<u>\$ 2,224,538</u>	<u>\$ 584,428</u>	<u>\$ 35,619,522</u>

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

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,422,599	\$ 289,387
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	4,432,003	4,116,984
Bad debt provision	4,850,731	299,600
Inherent contribution	(13,462,430)	(1,985,805)
Unrealized gains on investments	(554,658)	(976,558)
Changes in assets and liabilities:		
Accounts receivable	(3,281,883)	(8,829,574)
Contribution receivable	2,318,436	(594,742)
Inventories	157,979	12,270
Prepaid expenses and other assets	(3,883,995)	(1,951,224)
Beneficial interest in remainder trust	6,363	(52,847)
Accounts payable and accrued liabilities	2,785,750	3,181,808
Deferred revenue	(934,386)	1,421,674
Other liabilities	614,594	822,186
Net cash used in operating activities	<u>(5,528,897)</u>	<u>(4,246,841)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	43,028	8,015,797
Purchase of investments	(2,446,391)	(4,415,301)
Cash received in acquisition	906,169	4,470,103
Capital expenditures	<u>(4,542,620)</u>	<u>(2,228,568)</u>
Net cash (used in) provided by investing activities	<u>(6,039,814)</u>	<u>5,842,031</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in advances from government agency	(14,639)	1,500,000
Change in revolving loans	(249,000)	1,166,575
Proceeds from notes payable	9,564,622	-
Repayment of notes payable	(982,488)	(745,144)
Repayment of capital lease obligations	<u>(287,862)</u>	<u>(132,832)</u>
Net cash provided by financing activities	<u>8,030,633</u>	<u>1,788,599</u>
(Decrease) increase in cash and cash equivalents	<u>(3,538,078)</u>	<u>3,383,789</u>
CASH AND CASH EQUIVALENTS		
Beginning of year	14,353,025	10,969,236
End of year	<u>\$ 10,814,947</u>	<u>\$ 14,353,025</u>
Supplemental disclosure of cash flow information:		
Cash interest paid during the year	\$ 1,834,062	\$ 1,443,501
Fixed assets acquired through capital lease	<u>\$ 1,044,131</u>	<u>\$ -</u>

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

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

1. ORGANIZATION AND NATURE OF ACTIVITIES

Fedcap Rehabilitation Services, Inc. ("FRS") is a private, nonprofit organization incorporated under the laws of New York State. FRS is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

FRS was founded to provide a comprehensive range of vocational and related services to individuals with disabilities and other work-related disadvantages who face significant barriers to employment. FRS's goal is to help each person achieve independence, integration into the community and full participation in the economic mainstream.

FRS provides contract services and products within custodial, homecare, office services, and industrial divisions of FRS. The primary customers in these divisions are federal, and New York State and City agencies and certified home health agencies, that contract with FRS for services.

As part of FRS's rehabilitation and vocation programs, FRS provides vocational evaluations, training, and employment services and other government-funded employment and job search programs. Evaluations combine aptitude tests, computerized assessments, and vocational counseling. After evaluation, FRS offers training in mail clerk/messenger services, building/custodial services, culinary arts/food services, data entry, office skills, document imaging, hospitality operations, and security operations. FRS then seeks to employ individuals who have successfully completed FRS's rehabilitation and vocational programs. FRS also offers the Chelton Loft, a voluntary clubhouse program for people with a history of serious mental illness. FRS also has a vocational education program and a licensed mental health program.

On July 1, 2011, FRS acquired and became the sole member of Wildcat Services Corporation ("Wildcat"), a nonprofit entity located in New York City that provides employment training, jobs placement and "supportive employment" opportunities for individuals with barriers to employment.

On October 1, 2012, FRS acquired and became the sole member of ReServe Elder Service, Inc. ("ReServe"), a nonprofit entity located in New York City that matches continuing professionals age 55+ with organizations that need their expertise. ReServe provides direct services, administrative support, and capacity-building expertise in schools, social service agencies, cultural institutions, and public agencies.

On October 1, 2013, FRS acquired and became the sole member of Community Workshops, Inc. (d/b/a Community Work Services) ("CWS"), a nonprofit corporation located in Boston, Massachusetts, whose mission is to help people who have barriers to work obtain employment and achieve greater self-sufficiency through job training, placement, and support services.

On September 1, 2015, FRS acquired and became the sole member of Easter Seals New York, Inc. ("ESNY"), a nonprofit entity whose purpose is to provide program and services for people with disabilities, assistance to people with disabilities and their families, assistance to communities in developing necessary and appropriate resources for residents, and a climate of acceptance for people with disabilities which will enable them to contribute to the well-being of the community.

On May 1, 2016, ESNY received a contribution in the form of a Red Mango franchise, incorporated as 1184 Deer Park Ave., Inc. ("1184" or "Red Mango"). 1184 is currently managed as a for profit corporation, and operates as a social enterprise which includes a training center and employment opportunities for veterans.

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2018 and 2017

On May 1, 2016, FRS acquired and became the sole member of Granite Pathways, Inc. ("GP"), a nonprofit entity whose mission is to provide services to empower and support adults with mental illness to pursue their personal goals through education, employment, stable housing, and meaningful relationships.

On September 1, 2016, FRS acquired and became the sole member of Easter Seals Rhode Island, Inc. ("ESRI"), a nonprofit entity whose purpose is to provide services to ensure that all people with disabilities or special needs and their families have equal opportunities to live, learn, work and play in their communities.

On November 1, 2016, GP became the sole member of Seacoast Pathways, Inc. ("Seacoast") a nonprofit entity whose mission is to support adults living with mental illness on their paths to recovery through the work-ordered day.

On February 1, 2017, FRS became the sole member of Single Stop USA Inc. ("SS"), a nonprofit entity that provides coordinated services to holistically connect people to the resources they need to attain higher education, obtain good jobs, and achieve financial self-sufficiency.

On October 31, 2017, FRS entered into a combination agreement with Benevolent to become its sole member. This combination was predicated on the similarities of mission and enhancement of our ability to provide economic wellbeing for the individuals we serve. The combination further diversifies funding to individuals and families in need, through non-government sources.

On April 1, 2018, FRS entered into a combination agreement with MVLE to become its sole member. MVLE provides employment, support and rehabilitation services to individuals with disabilities in the Northern Virginia and Washington, D.C. area. This combination was predicated on the synergies of mission and geographic expansion of services in the Mid-Atlantic Region.

On July 1, 2018, FRS entered into a combination agreement with Easter Seals Central Texas ("ESCT") to become its sole member. ESCT provides services to individuals with disabilities throughout the life cycle through outpatient medical rehabilitation, workforce development and community housing and integration programs in the Central Texas region. This combination was predicated on the similarities of mission and geographic expansion of services into the Southwest Region. The addition of ESCT expands the core services to the populations served through our Easter Seals brand whose current operations are in New York and Rhode Island.

On July 1, 2018, FRS entered into a combination agreement with Easter Seals North Texas ("ESNT") to become its sole member. ESNT provides services to individuals with disabilities throughout the life cycle through outpatient medical rehabilitation, workforce development and community housing and integration programs in the North Texas region. This combination was predicated on the similarities of mission and geographic expansion of services into the Southwest Region. The addition of ESNT expands the core services to the populations served through our Easter Seals brand whose current operations are in New York and Rhode Island.

Collectively, FRS, Wildcat, ReServe, CWS, ESNY, I184, GP, ESRI, SS, Seacoast, Benevolent, MVLE, ESCT, and ESNT are referred to as "FEDCAP."

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

2. SUMMARY OF ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements of FEDCAP have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") using the accrual basis of accounting. All intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements.

Accordingly, FEDCAP's consolidated financial statements distinguish between unrestricted, temporarily restricted and permanently restricted net assets and changes in net assets as follows:

Unrestricted Net Assets - consist of all funds which are expendable, at the discretion of FEDCAP's management and Board of Directors, for carrying on daily operations. These funds have neither been restricted by donors nor set aside for any specific purpose.

Temporarily Restricted Net Assets - net assets that have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of FEDCAP pursuant to those stipulations.

Permanently Restricted Net Assets - net assets subject to donor-imposed stipulations that require resources to be maintained as funds of a permanent duration.

Cash Equivalents

FEDCAP considers all highly liquid debt instruments with a maturity of three months or less at the date of purchase, including investments in short-term certificates of deposit and certain money market funds, to be cash equivalents.

Contribution and Grant Revenue

FEDCAP records contributions of cash and other assets when an unconditional promise to give such assets is received from a donor. Contributions are recorded at the fair value of the assets received and contributions with donor stipulations that limit the use of donated assets are classified as either permanently restricted if FEDCAP is required to maintain the contribution permanently or temporarily restricted if the stipulation limits the use of the contribution to specific purposes or a time period. Contributions with donor restrictions that are received and met in the same fiscal year are recorded as unrestricted contributions. Otherwise, once stipulated time restrictions end or purpose restrictions are accomplished, temporarily restricted net assets are reclassified to unrestricted net assets as "net assets released from restrictions" in the accompanying consolidated statements of activities.

Revenue Recognition and Deferred Revenue

FEDCAP's revenue primarily relates to contract services and products, and rehabilitation and vocational programs. FEDCAP recognizes such revenue ratably over a contract's term for those with fixed rates. For performance-based contracts, revenues are recognized in the period when related expenditures have been incurred, milestones have been achieved, or services have been performed in compliance with the respective contracts. FEDCAP also generates revenue from the sale of related products, which is recognized at the time of shipment.

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Deferred revenue represents cash received in advance of services and will be recognized as the services are performed. Deferred revenue amounted to \$4,129,907 and \$5,064,293 as of September 30, 2018 and 2017, respectively.

Allowance for Doubtful Accounts

The carrying value of contributions and accounts receivable are reduced by an appropriate allowance for uncollectible accounts, and therefore approximates net realizable value. FEDCAP determines its allowance by considering a number of factors, including the length of time receivables are past due, FEDCAP's previous loss history, the donor's current ability to pay its obligation, and the condition of the general economy and the industry as a whole. Receivables outstanding longer than the payment terms are considered past due. FEDCAP writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are recorded as income in the period received.

Inventories

Inventories, mainly consisting of distress marker light products and related components, are valued at the lower of cost or net realizable value. Cost is determined principally by the first-in, first-out method.

Fixed Assets

Fixed assets purchased for a value greater than \$1,000 and with depreciable lives greater than one year are carried at cost, net of accumulated depreciation. Depreciation is provided over the estimated useful life of the respective asset and ranges from 3 to 40 years. Significant additions or improvements extending asset lives are capitalized; normal maintenance and repair costs are expensed as incurred. Leasehold improvements are amortized based on the lesser of the estimated useful life or remaining lease term.

Functional Allocation of Expenses

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

Commissions

FEDCAP pays commissions to an unrelated not-for-profit entity and a New York State entity to provide information on government contracts that need competitive bids for services. The contracts provide for commissions to be paid to these organizations in the range of 0.85% to 4.00% of the contract amount. Commissions paid relating to these contracts amounted to \$2,401,578 and \$2,568,642 for the years ended September 30, 2018 and 2017, respectively, and are included within contract services and products expense in the accompanying consolidated statements of activities.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. These estimates and assumptions relate to estimates of collectability of accounts receivable, accruals, useful life of property, plant, and equipment, and impairment of long-lived assets. Actual results could differ from those estimates.

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2018 and 2017

Fair Value of Financial Instruments

The fair value of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and other liabilities approximates their carrying value due to their short-term maturities. The fair value of long-term debt approximates carrying value based on current interest rates for similar instruments.

Fair Value Measurements

FEDCAP follows guidance for fair value measurements that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and enhances disclosure requirements for fair value measurements. It maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the transparency of inputs as follows:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.
- Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.
- Level 3 - Securities that have little to no pricing observability as of the measurement date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the entity. FEDCAP considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to FEDCAP's perceived risk of that instrument.

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

Beneficial Interest in Remainder Trusts

Donors have established and funded trusts held by third parties under which specified distributions are to be made to a designated beneficiary or beneficiaries over the trusts' term. Upon termination of the trusts, FEDCAP will receive the assets remaining in the trusts. Trusts are recorded as increases to net assets at the fair value of trust assets, less the present value of the estimated future payments to be made under the specific terms of the trusts. At September 30, 2018 and 2017, FEDCAP's interest in these trusts is reflected at fair value in the accompanying consolidated statements of financial position and is classified as Level 3 within the fair value hierarchy.

	2018	2017
Balance, beginning of year	\$ 628,759	\$ 575,912
Contributions / additions	4,024,343	8,578
Distributions	(5,911)	(13,516)
Depreciation (appreciation)	(452)	57,785
Balance, end of year	<u>\$ 4,646,739</u>	<u>\$ 628,759</u>

Impairment of Long-lived Assets

FEDCAP reviews the carrying values of its long-lived assets, including property and equipment and other assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. Recoverability of long-lived assets is assessed by a comparison of the carrying amount of the asset to the estimated future net cash flows expected to be generated by the asset.

If estimated future net cash flows are less than the carrying amount of the asset, the asset is considered impaired and an expense is recorded in an amount to reduce the carrying amount of the asset to its fair value.

Tax-Exempt Status

Fedcap follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

Fedcap is exempt from federal income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to their respective exempt purpose, unless that income is otherwise excluded by the Code. These organizations have processes presently in place to ensure the maintenance of their tax-exempt status; to identify and report unrelated income; to determine their filing and tax obligations in jurisdictions for which they have nexus; and to identify and evaluate other matters that may be considered tax positions. Fedcap has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

1184, a for-profit corporation, commenced business operations in May of 2016; the Organization has not calculated a tax provision as the projected tax liability is immaterial from a financial statement perspective. In addition, 1184 has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

3. CONTRIBUTIONS RECEIVABLE

At September 30, 2018 and 2017, contributions receivable, net of the allowance for doubtful accounts, consisted of the following:

	2018	2017
Amounts due within one year	\$ 1,237,222	\$ 3,074,667
Amounts due in one to five years	<u>309,306</u>	<u>10,711</u>
	1,546,528	3,085,378
Less: allowance for uncollectible receivables	<u>(250,000)</u>	<u>-</u>
	<u>\$ 1,296,528</u>	<u>\$ 3,085,378</u>

Approximately 26% of the contributions receivable (gross) is due from one donor at September 30, 2018. Approximately 69% of the contributions receivable (gross) is due from two donors at September 30, 2017.

4. INVESTMENTS

Investments, at fair value, consisted of the following at September 30:

	2018	2017
Money market funds	\$ 5,329,461	\$ 3,176,676
Mutual funds	<u>12,897,809</u>	<u>11,547,459</u>
	<u>\$ 18,227,270</u>	<u>\$ 14,724,135</u>

FEDCAP's mutual fund investments are classified as Level 1 within the fair value hierarchy. FEDCAP's money market fund investments do not meet the definition of a security under US GAAP, and as such, the disclosure requirements for fair value measurements are not applicable.

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
September 30, 2018 and 2017

5. INVENTORIES, NET

Inventories consisted of the following at September 30:

	<u>2018</u>	<u>2017</u>
Inventories:		
Raw materials	\$ 219,880	\$ 369,867
Work-in-process and finished goods	114,810	122,802
Reserve	<u>(90,000)</u>	<u>(90,000)</u>
	<u>\$ 244,690</u>	<u>\$ 402,669</u>

6. PROPERTY, PLANT AND EQUIPMENT, NET

Fixed assets, net, consisted of the following at September 30:

	<u>2018</u>	<u>2017</u>
Land	\$ 1,017,809	\$ 1,017,809
Building improvements	3,492,788	531,382
Buildings	37,052,760	33,280,420
Capital lease - building	35,918,547	35,918,547
Furniture, fixtures and computer systems	14,157,674	11,509,522
Leasehold improvements	<u>9,143,432</u>	<u>7,002,207</u>
	100,783,010	89,259,887
Less: accumulated depreciation	<u>(18,712,293)</u>	<u>(14,335,100)</u>
	<u>\$ 82,070,717</u>	<u>\$ 74,924,787</u>

Depreciation and amortization expense for the years ended September 30, 2018 and 2017 was \$4,432,003 and \$4,116,984, respectively.

7. CAPITAL LEASES

In May of 2014, FRS entered into a condominium leasehold agreement in a building located at 205 East 42nd Street in New York City for 64,303 square feet of space consisting of the entire second and third floor and a portion of the ground floor. FRS began occupying the space in December 2014 and the agreement expires in fiscal 2043. The interest rate is fixed at 4.20%. FRS accounted for this agreement as a capital lease, and as such, the related cost of \$35,918,547 representing the present value of the total future minimum lease payments due at the inception of the agreement, is included within "property, plant and equipment, net" in the accompanying consolidated statements of financial position at September 30, 2018 and 2017. FRS occupied the condominium in December 2014 and recorded depreciation expense of \$1,238,571 in fiscal 2018 and 2017. The outstanding principal balance on the lease as of September 30, 2018 and 2017, is \$36,353,740 and \$36,461,573, respectively.

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During fiscal 2015, FRS obtained financing pursuant to a capital lease to finance vehicles in the amount of \$22,074 principal and interest are paid monthly. As of September 30, 2018, and 2017, accumulated depreciation associated with this lease agreement is \$15,452 and \$11,037, respectively. The outstanding principal balance on the lease as of September 30, 2018 and 2017, is \$6,622 and \$11,038, respectively. The maturity date is March 31, 2020 and the interest rate is fixed at 6.73%.

During fiscal 2015, CWS obtained financing pursuant to a capital lease to finance vehicles in the amount of \$44,464, principal and interest are paid monthly. As of September 30, 2018, and 2017, accumulated depreciation associated with this lease agreement is \$44,464, respectively. The outstanding principal balance on the lease as of September 30, 2018 and 2017, is \$0 and \$22,232, respectively. The maturity date is March 31, 2020 and the interest rate is fixed at 6.73%.

During fiscal 2015, ESNY obtained financing pursuant to a capital lease to finance vehicles in the amount of \$80,785, principal and interest are paid monthly. As of September 30, 2018, and 2017, the accumulated depreciation balance was \$52,511 and \$36,040, respectively. The outstanding principal balance on the lease as of September 30, 2018 and 2017, was \$28,627 and \$44,745, respectively. The maturity date is June 30, 2020 and the interest rate is fixed at 6.97%.

In 2015 and 2016, ESCT obtained financing pursuant to a capital lease to finance equipment in the amount of \$109,418, principal and interest are paid monthly. As of September 30, 2018, the accumulated depreciation balance was \$5,534. The outstanding principal balance on the leases as of September 30, 2018 was \$47,190. The maturity dates run through May 14, 2021 with varying interest rates from 0% - 0.99%.

During fiscal 2018, ESNY obtained financing pursuant to a capital lease to finance vehicles in the amount of \$128,298, principal and interest are paid monthly. As of September 30, 2018, the accumulated depreciation balance was \$35,573. The outstanding principal balance on the lease as of September 30, 2018 was \$93,362. The maturity dates are through June 30, 2022 and the interest rate is fixed at 6.70% and 8.00%.

During fiscal 2018, FRS and ESNY obtained financing pursuant to a capital lease to finance vehicles in the amount of \$370,074, principal and interest are paid monthly. As of September 30, 2018, the accumulated depreciation balance was \$122,766. The outstanding principal balance on the lease as of September 30, 2018 was \$248,418.

During fiscal 2018, FRS obtained financing pursuant to a capital lease to finance vehicles in the amount of \$82,264 principal and interest are paid monthly. As of September 30, 2018, accumulated depreciation associated with these lease agreements is \$13,914. The outstanding principal balance on the lease as of September 30, 2018 is \$77,578. The maturity dates are through November 30, 2022 and the interest rate varies from 7.10% to 7.45%.

On September 14, 2018, FRS obtained financing pursuant to a capital lease to finance office furniture in the amount of \$463,495, principal and interest are paid monthly. As of September 30, 2018, the accumulated depreciation balance was \$0. The outstanding principal balance on the lease as of September 30, 2018 was \$440,320. The maturity dates are through June 2023 and the interest rate is 6.58%.

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The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of September 30, 2018:

<u>Year Ending September 30:</u>	
2019	\$ 1,944,244
2020	2,156,611
2021	2,159,924
2022	2,089,325
2023	1,990,114
2023	<u>52,678,445</u>
Total minimum lease payments	<u>63,018,663</u>
Less: Amount representing interest	<u>(25,722,806)</u>
Present value of net minimum lease payments	<u>\$ 37,295,857</u>

8. REVOLVING LOANS

Israel Discount Bank of New York

FRS entered into a revolving loan agreement with Israel Discount Bank of New York ("IDB") to finance working capital needs with an aggregate principal amount not to exceed \$15,000,000. The line is collateralized by FRS's accounts receivable and matured on January 18, 2019. The interest rate for the revolving loan agreement is the Prime Rate. As of September 30, 2018, and 2017, FEDCAP had borrowings on this line of credit of \$14,653,273, respectively, at an interest rate of 5.25% and 4.25%, respectively. Subsequent to year end, the maturity date was extended, see Note 20.

RBS Citizens Bank, N.A.

ESNY has an agreement with RBS Citizens Bank, N.A for a \$3,000,000 revolving line of credit with FRS as the co-borrower, which matured on December 15, 2018 and was subsequently extended until May 2019. As of September 30, 2018, and 2017, ESNY had borrowings on this line of credit of \$3,000,000, respectively, at an interest rate of 4.5% and 3.50%, respectively.

Frost Bank

ESCT obtained an uncollateralized revolving line of credit with Frost Bank with a \$200,000 limit that matured on February 6, 2019. As of September 30, 2018, ESCT had borrowings on this line of credit of \$200,000 at a floating interest rate, defined as 1.75% plus the financial institution's prime rate. This line of credit was paid in full in February 2019.

9. LONG-TERM DEBT

Notes Payable

On December 5, 2014, ESNY entered into a \$1,980,000 mortgage note payable to finance the acquisition of certain property located in Valhalla, New York. The note was secured by the property and is guaranteed by FRS. The interest rate is 3.66% for the first 60 months then, as of the first day of the sixty-first month, the interest rate will reset to 1.75% in excess of the then bank's five-year Cost of Funds. In no event shall

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the reset rate be less than 3.66%. Principal and interest of \$9,153 is payable monthly through the maturity date of January 1, 2025. At September 30, 2018 and 2017, the outstanding principal balance was \$1,832,909 and \$1,874,696, respectively.

On November 4, 2016, MVLE entered into a \$350,000 note payable with Union Bank & Trust. The note is secured by accounts receivable and equipment. The interest rate is 4.5% and principal and interest are paid monthly. The note matures in November 2019. As of September 30, 2018, the outstanding principal balance was \$142,471.

On Dec 13, 2016, ESCT entered into a \$18,558 note payable with J.P. Morgan Chase Bank, N.A. The note is secured by the assets of ESCT. The interest rate is 6.1% and principal and interest are paid monthly. The note matures in December 2021. As of September 30, 2018, the outstanding principal balance was \$12,702.

On May 18, 2017, ESCT entered into a \$243,650 note payable with Wells Fargo, N.A. The note is secured by accounts receivable and equipment. The interest rate is defined at a variable rate plus prime and principal and interest are paid monthly. The note matures in May 2020. As of September 30, 2018, the outstanding principal balance was \$151,086.

Bonds Payable

In December 2013, FRS entered into a Loan Agreement with Build NYC Resource Corporation ("Build NYC"), a local development corporation, for Build NYC to issue bonds to finance the purchase of the sixth floor of a building located at 633 Third Avenue in New York City and related expenses. Build NYC issued \$18,450,000 of tax-exempt revenue bonds ("Series 2013A"). Monthly payments of interest commenced in June 2014. The Series 2013A bonds have a coupon rate of 4.2% with a maturity date of December 1, 2033. The Series A bonds were placed with IDB and, as part of the bond purchase and continuing covenant agreement between FRS and IDB, FRS must maintain a minimum balance with IDB of \$4,000,000, which is included within investments in the accompanying consolidated statements of financial position at September 30, 2018 and 2017. At September 30, 2018 and 2017, the outstanding principal balance of the Series 2013A bonds was \$17,025,000 and \$17,520,000, respectively.

In December 2010, ESNY in connection with the Monroe County Industrial Development Corporation and RBS Citizens Bank, N.A. issued \$5,250,000 in Series 2010 tax-exempt Revenue Bonds ("Series 2010"). The Series 2010 bonds were used to finance the acquisition of certain property located in Irondequoit, New York and to refinance certain ESNY debt. The Series 2010 bonds are secured by a mortgage on all properties and improvements financed by the bond and are guaranteed by FRS. ESNY may elect to prepay some portion or all of the outstanding bonds subject to a prepayment fee as defined in the agreement. The agreement also requires bank approval prior to ESNY incurring additional indebtedness. The Series 2010 bonds are subject to tender for mandatory purchase at the election of the bondholder beginning June 1, 2016 and thereafter every five years through June 1, 2036. At September 30, 2018 and 2017, the outstanding principal balance of the Series 2010 bonds was \$4,399,430 and \$4,537,395, respectively.

On February 23, 2011, ESNY entered into an interest rate swap agreement with a bank in connection with the Series 2010 Bonds. The swap agreement had an outstanding notional amount of \$4,257,920 and \$4,526,910 at September 30, 2018 and 2017, respectively. The outstanding notional amount decreases, in conjunction with bond principal reductions, until the agreement terminates in January 2031. ESNY remits interest at a fixed rate of 2.99% and receives interest at a variable rate (68% of the sum of the monthly LIBOR rate plus 2.65% (3.34% at September 30, 2018 and 2017, respectively)). The fair value of the interest rate swap agreement as of September 30, 2018 and 2017 reflected a liability of \$355,400

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and \$625,315, respectively. The swap is included within other liabilities in the accompanying consolidated statement of financial position, and is classified as Level 2 within the fair value hierarchy.

In December 2017, FRS entered into a loan agreement with Build NYC Resource Corporation ("Build NYC"), a local development corporation, for Build NYC to issue bonds to finance the renovation, equipping and furnishing of the improvements of the sixth floor located at 633 Third Avenue in New York City and related expenses. Build NYC issued \$9,280,000 of tax-exempt revenue bonds ("Series 2017A") and \$715,000 of taxable revenue bonds ("Series 2017B"). Monthly payments of interest commenced in February 2018. The Series 2017A bonds have a coupon rate of 3.9% with a maturity date of December 1, 2042. The Series 2017B bonds have a coupon rate of 4.5% with a maturity date of December 1, 2027. The 2017A and 2017B bonds were placed with TD Bank. At September 30, 2018, the outstanding principal balance of the Series 2017A and 2017B bonds was \$9,116,787 and \$671,807 respectively.

The following is a summary of minimum principal payments due on the notes and bonds at September 30, 2018:

	Notes Payable	Bonds Payable	Total
Year Ending September 30,			
2019	\$ 176,504	\$ 922,577	\$ 1,099,081
2020	181,280	981,862	1,163,142
2021	50,348	1,019,829	1,070,177
2022	48,574	1,063,272	1,111,846
2023	49,307	1,105,555	1,154,862
Thereafter	1,633,155	26,119,929	27,753,084
Total	\$ 2,139,168	\$ 31,213,024	33,352,192
Less: current portion			1,099,081
Less: bond issuance cost			915,819
Long-term debt, net of current portion			\$ 31,337,292

10. ADVANCES FROM GOVERNMENT AGENCY

On August 1, 2012, FRS entered in a contract with New York City Human Resources Agency ("HRA") to operate HRA's WeCare program in the boroughs of Brooklyn and Queens. Under the terms of the contract, HRA may make advances for working capital purposes. These advances are non-interest bearing and will be recouped during the course of the contract in accordance with HRA policy, but no later than the last year of the contract. On September 29, 2017, FRS received a loan of \$1,500,000 from the Fund for the City of New York to cover operating expenses pending receipt of funds from HRA. This loan is non-interest bearing and will be repaid no later than 30 days from the date of the loan, upon receipt of the funds from HRA or on demand for payment by the Fund for the City of New York. At September 30, 2017, the balance from this loan was \$1,500,000. This loan was repaid in November 2017.

On August 30, 2018 FRS received a loan of \$1,485,361 from the Fund for the City of New York to cover operating expenses pending contract registration and receipt of funds from HRA. This loan is non-interest bearing and will be repaid no later than 30 days from the date of the loan, upon receipt of the funds from

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HRA or on demand for payment by the Fund for the City of New York. At September 30, 2018, the balance from this loan was \$1,485,361. This loan was repaid in November of 2018.

11. FORGIVEABLE CAPITAL ADVANCES

ESCT has received financial assistance for property acquisition costs from Housing and Urban Development ("HUD") and the Austin Housing Finance Corporation ("AHFC"). Under the terms of the agreements, funds were provided to ESCT in the form of forgivable capital advances to purchase thirty-four housing entities. The principle and any interest are not due and will be forgiven upon maturity, as long as ESCT continues to meet the requirements to maintain the housing units available for low income persons with disabilities. ESCT believes that the possibility that repayment will occur is remote and as such that the treatment of the advance as a contribution upon receipt is appropriate. Accordingly, the advances were recorded as temporarily restricted contributions that are released from restriction over the life of the agreement.

The following table summarizes the forgivable capital advances as of September 30, 2018:

	<u>Amount of Original Advance</u>
Housing I	
U.S. Department of Housing and Urban Development, interest rate of 5.375%, due unless forgiven on October 11, 2045, secured by six rental housing units. At September 30, 2018, \$279,635 was included in temporarily restricted net assets related to the Note.	\$ 413,000
Housing II	
U.S. Department of Housing and Urban Development, interest rate of 5.250%, due unless forgiven on April 1, 2048, secured by ten rental housing units. At September 30, 2018, \$527,767 was included in temporarily restricted net assets related to the Note.	713,600
City of Austin passed through Austin Housing Finance Corporation, interest rate of 0%, unless forgiven on May 1, 2049, secured by ten rental housing units, subordinate to the \$713,600 loan. At September 30, 2018, \$382,292 was included in temporarily restricted net assets related to the Note.	500,000
Housing III	
U.S. Department of Housing and Urban Development, interest rate of 4.125%, due unless forgiven on December 1, 2050, secured by eight rental housing units. At September 30, 2018, \$595,003 was included in temporarily restricted net assets related to the Note.	739,900
City of Austin passed through Austin Housing Finance Corporation, interest rate of 0%, unless forgiven on November 30, 2050, secured by eight rental housing units, subordinate to the \$739,900 loan. At September 30, 2018, \$397,853 was included in temporarily restricted net assets related to the Note.	494,740
Housing IV	
U.S. Department of Housing and Urban Development, interest rate of 4.125%, due unless forgiven on February 15, 2053, secured by ten rental housing units. At September 30, 2018, \$920,990 was included in temporarily restricted net assets related to the Note.	1,070,400

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	<u>Amount of Original Advance</u>
Housing IV (continued)	
City of Austin passed through Austin Housing Finance Corporation, interest rate of 0%, unless forgiven on February 28, 2053, secured by ten rental housing units, subordinated to the \$1,070,400 loan. At September 30, 2018, \$537,673 was included in temporarily restricted net assets related to the Note.	624,898
Total	<u>\$ 4,556,538</u>

12. COMMITMENTS AND CONTINGENCIES

FEDCAP has leases for offices, program related facilities, and equipment expiring at various dates through 2032. The approximate future minimum lease commitments under existing operating leases are as follows:

<u>Year Ending September 30:</u>	
2019	\$ 7,856,201
2020	5,581,739
2021	5,042,998
2022	4,752,045
2023	3,084,738
Thereafter	10,004,661
Total	<u>\$ 36,322,382</u>

Certain office leases contain renewal and escalation clauses. For leases with escalation clauses, FEDCAP recognized rent expense on a straight-line basis and recognized a deferred rent liability of \$4,376,734 and \$1,773,782 at September 30, 2018 and 2017, respectively, which is included in other liabilities in the accompanying consolidated statements of financial position. In addition to the base rents, FEDCAP is obligated to pay additional amounts for increased operating costs.

Rent expense was \$12,639,752 and \$11,208,061 for the years ended September 30, 2018 and 2017, respectively.

FEDCAP sublets a portion of its facilities to tenants under operating leases that expire between April 2017 and December 2025. For the years ended September 30, 2018 and 2017, rental income from these subleases was \$562,172 and \$293,318, respectively. The future minimum sublease rental payments to be received are as follows:

<u>Year Ending September 30:</u>	
2019	\$ 451,974
2020	309,641
2021	279,677
2022	290,411
Thereafter	989,946
Total	<u>\$ 2,321,649</u>

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FEDCAP is engaged in various lawsuits incidental to its operations. In the opinion of management, the ultimate outcome of pending litigation will not have a material adverse effect on the consolidated financial position and results of operations of FEDCAP.

FEDCAP participates in a number of federal and state programs. These programs require that FEDCAP comply with certain requirements of laws, regulations, contracts, and agreements applicable to the programs in which it participates. All funds expended in connection with government grants and contracts are subject to audit by government agencies. While the ultimate liability, if any, from such audits of government contracts by government agencies is presently not determinable, it should not, in the opinion of management, have a material effect on FEDCAP's financial position or change in net assets. Accordingly, no provision for any such liability that may result has been made in the accompanying consolidated financial statements.

13. TUITION REVENUE

FRS receives funding for the Career Design School from the New York State Education Department, administered by the Bureau of Proprietary School Supervision. Gross tuition income, which equaled net tuition income, was \$1,012,460 and \$1,094,605 for the years ended September 30, 2018 and 2017, respectively, and has been included within rehabilitation and vocational programs in the accompanying consolidated statements of activities.

14. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were restricted for the following purposes as of September 30, 2018 and 2017:

	2018	2017
For use in future periods for:		
Employment and job search programs	\$ 122,221	\$ 602,111
ESCT HUD capital advances	3,641,213	-
Time restricted	2,915,146	1,622,427
Total	<u>\$ 6,678,580</u>	<u>\$ 2,224,538</u>

Net assets released from restrictions during the years ended September 30, 2018 and 2017 were as follows:

	2018	2017
Employment and job search programs	\$ 490,089	\$ 779,151
ESCT HUD capital advances	915,325	-
Time restricted	1,440,130	-
Total	<u>\$ 2,845,544</u>	<u>\$ 779,151</u>

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15. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are comprised of the following as of September 30, 2018 and 2017:

	2018	2017
Easter Seals endowment	\$ 1,880,853	\$ 509,428
ReServe endowment	75,000	75,000
	<u>\$ 1,955,853</u>	<u>\$ 584,428</u>

16. RELATED PARTY TRANSACTIONS

Members of the Board of Directors of FEDCAP are associated with a law firm that has provided legal services to FEDCAP with fees of \$381,465 and \$312,012 during the years ended September 30, 2018 and 2017, respectively.

A CWS Board member is a trustee of the Eaton Fund. CWS leases its facilities from the Eaton Fund. Rent paid to Eaton Fund for each of the years ended September 30, 2018 and 2017 was \$129,996.

17. EMPLOYEE BENEFIT PLANS

Effective January 1, 1991, FEDCAP established a Tax Deferred Annuity Retirement Plan under Section 403(b) of the Internal Revenue Code for employee voluntary salary reduction contributions. Employees are eligible to participate in the plan as of their employment date.

Effective October 1, 1991, FEDCAP established a Tax Deferred Annuity Retirement Plan under Section 403(b) of the Internal Revenue Code for employees working on government contracts with a defined contribution pension plan based on a contractual formula. Employees are eligible to participate in the plan upon satisfactory completion of a three-month probationary period.

Effective October 1, 1994, FEDCAP established a Defined Contribution Plan under Section 403(b) of the Internal Revenue Code for qualified participants, primarily employees who do not work on contracts. In November 1, 2010, the Defined Contribution Plan was amended to allow all employees to participate in the plan immediately upon hire. FEDCAP matches employee contributions up to 3% of their salaries. Employer matching contributions fully vest after three years of employment.

Plan contributions are invested in one or more of the funding vehicles available to participants under the plans. Each participant is fully and immediately vested in employee contributions. Employer contributions to the plans amounted to \$6,648,313 and \$6,186,322 for the years ended September 30, 2018 and 2017, respectively.

18. ACQUISITIONS

On February 1, 2017, FRS entered into a combination agreement with Single Stop USA, Inc. to become its sole member. The determination to acquire Single Stop USA, Inc. was predicated on the similarities in mission. Single Stop provides coordinated services to holistically connect people to the resources they need to attain higher education, obtain good jobs, and achieve financial self-sufficiency. This acquisition was affected without the transfer of consideration, and as such an inherent contribution of \$1,947,081 was

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recognized, which represented the excess of the acquisition date fair values of the identifiable assets acquired over the acquisition date fair values of the liabilities assumed.

On November 1, 2016, GP entered into a combination agreement with Seacoast Pathways, Inc. to become its sole member. The determination to acquire Seacoast Pathways, Inc. was predicated on the similarities in mission and a geographic expansion of services in the New England Region. The mission of Seacoast Pathways is to support adults living with mental illness on their paths to recovery through the work-ordered day. This acquisition was effected without the transfer of consideration, and as such an inherent contribution of \$38,724 was recognized, which represented the excess of the acquisition date fair values of the identifiable assets acquired over the acquisition date fair values of the liabilities assumed.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisitions for the year ended September 30, 2017:

	<u>Single Stop USA</u>	<u>GP</u>	<u>Total</u>
Cash and cash equivalents	\$ 4,434,379	\$ 35,724	\$ 4,470,103
Accounts receivables, net	252,430	-	252,430
Contributions and grants receivables	1,449,503	-	1,449,503
Investments	-	3,000	3,000
Prepaid expenses and other assets	131,553	-	131,553
Other assets	271,816	-	271,816
Property, plant and equipment, net	958,033	-	958,033
Accounts payable and accrued liabilities	(2,671,188)	-	(2,671,188)
Deferred revenue	(2,485,700)	-	(2,485,700)
Other liabilities	(393,745)	-	(393,745)
	<u>\$ 1,947,081</u>	<u>\$ 38,724</u>	<u>\$ 1,985,805</u>

On October 31, 2017, FRS entered into a combination agreement with Benevolent to become its sole member. This combination was predicated on the similarities of mission and enhancement of our ability to provide economic wellbeing for the individuals we serve. The combination further diversifies funding to individuals and families in need, through non-government sources. This acquisition was effected without the transfer of consideration, and as such an inherent contribution of \$1,231 was recognized, which represented the excess of the acquisition date fair values of the identifiable assets acquired over the acquisition date fair values of the liabilities assumed.

On April 1, 2018, FRS entered into a combination agreement with MVLE to become its sole member. MVLE provides employment, support and rehabilitation services to individuals with disabilities in the Northern Virginia and Washington, D.C. area. This combination was predicated on the synergies of mission and geographic expansion of services in the Mid-Atlantic Region. This acquisition was effected without the transfer of consideration, and as such an inherent contribution of \$3,644,595 was recognized, which represented the excess of the acquisition date fair values of the identifiable assets acquired over the acquisition date fair values of the liabilities assumed.

On July 1, 2018, FRS entered into a combination agreement with Easter Seals Central Texas ("ESCT") to become its sole member. ESCT provides services to individuals with disabilities throughout the life cycle

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through outpatient medical rehabilitation, workforce development and community housing and integration programs in the Central Texas region. This combination was predicated on the similarities of mission and geographic expansion of services into the Southwest Region. The addition of ESCT expands the core services to the populations served through our Easter Seals brand whose current operations are in New York and Rhode Island. This acquisition was affected without the transfer of consideration, and as such an inherent contribution of \$4,368,955 was recognized, which represented the excess of the acquisition date fair values of the identifiable assets acquired over the acquisition date fair values of the liabilities assumed.

On July 1, 2018, FRS entered into a combination agreement with Easter Seals North Texas ("ESNT") to become its sole member. ESNT provides services to individuals with disabilities throughout the life cycle through outpatient medical rehabilitation, workforce development and community housing and integration programs in the North Texas region. This combination was predicated on the similarities of mission and geographic expansion of services into the Southwest Region. The addition of ESNT expands the core services to the populations served through our Easter Seals brand whose current operations are in New York and Rhode Island. This acquisition was affected without the transfer of consideration, and as such an inherent contribution of \$5,447,649 was recognized, which represented the excess of the acquisition date fair values of the identifiable assets acquired over the acquisition date fair values of the liabilities assumed.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisitions for the year ended September 30, 2018:

	Benevolent	MVLE	ESCT	ESNT	Total
Cash and cash equivalents	\$ 5,488	\$ 633,234	\$ 215,266	\$ 52,181	\$ 906,169
Accounts receivables, net	-	2,194,671	665,681	362,658	3,223,010
Grants receivables	-	-	641,971	137,615	779,586
Prepaid expenses and other assets	2,081	82,077	134,423	655,117	873,698
Investments	-	-	-	545,114	545,114
Other assets	-	384,614	120,094	81,151	585,859
Property, plant and equipment, net	-	1,695,518	3,948,025	347,639	5,991,182
Beneficial interest in remainder trust	-	-	-	4,024,343	4,024,343
Accounts payable and accrued liabilities	(6,338)	(817,914)	(762,580)	(353,169)	(1,940,001)
Other liabilities	-	(326,652)	(165,815)	(156,000)	(648,467)
Revolving loans	-	-	(200,000)	(249,000)	(449,000)
Notes payable	-	(200,953)	(228,110)	-	(429,063)
	<u>\$ 1,231</u>	<u>\$ 3,644,595</u>	<u>\$ 4,368,955</u>	<u>\$ 5,447,649</u>	<u>\$ 13,462,430</u>

19. CONCENTRATIONS

FEDCAP provides building services for federal buildings, which comprised 22% and 20% of total revenues during the years ended September 30, 2018 and 2017, respectively. FEDCAP provides offsite data entry personnel, custodial and other services to various branches of the state and city government through one New York State organization, which comprised 7% and 5% of total revenues during the years ended September 30, 2018 and 2017, respectively.

Financial instruments that potentially subject FEDCAP to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit. Management does not believe that a significant risk of loss exists due to the failure of a financial institution.

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September 30, 2018 and 2017

20. SUBSEQUENT EVENTS

FEDCAP evaluated its September 30, 2018 consolidated financial statements for subsequent events through April 8, 2019, the date the consolidated financial statements were available for issuance. FEDCAP is unaware of any events which would require recognition or disclosure in the accompanying consolidated financial statements, except as noted below.

On November 1, 2018, FRS acquired Kennedy Scott, Limited, a United Kingdom company through a stock purchase. Kennedy Scott provides high quality job support, placement, retention and related services to people in the United Kingdom.

On December 31, 2018, FRS entered into an agreement with Israel Discount Bank of New York to extend the maturity date of the revolving loan to October 17, 2020 and to increase the revolving loan, as described in Note 8, by \$10,000,000 to an aggregate principal amount not to exceed \$25,000,000.

SUPPLEMENTARY INFORMATION

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES
Consolidating Statement of Financial Position
As of September 30, 2018

	Fedcap Rehabilitation Services, Inc.	Widener Services Corporation	Br Servs	Community Work Services	Enter Dydy PT	Quincy Polivene	Red Wings	Enter Dydy RJ	Shack Shop	Summit Polivene	Intermodal	KYLE	Enter Dydy CT	Enter Dydy NY	Elmhurst	Consolidated
ASSETS																
CURRENT ASSETS																
Cash and cash equivalents	\$ 4,991,312	\$ 25,395	\$ 81,491	\$ 397,694	\$ 118,794	\$ 77,871	\$ 1,981	\$ 57,528	\$ 1,488,448	\$ (188)	\$ 9,833	\$ 751,888	\$ 402,548	\$ 388,188	\$ -	\$ 10,314,947
Accounts receivable (net of allowance for doubtful accounts of approximately \$4,622,888 in 2018 and \$1,056,000 in 2017)	26,148,388	4,878,475	109,235	438,571	6,122,290	671,138	-	672,148	456,851	-	-	1,887,887	1,798,173	1,883,218	-	41,128,315
Inventory, accounts receivable	111,552,987	21,881,566	11,463,259	15,887,188	218,826,641	2,297,388	777,633	1,658,451	34,818,254	123,588	15,318	251,257	51,896	131,223	(23,831,138)	-
Contributions and grants receivable (net of allowance for uncollectible contributions of approximately \$250,000 in 2018 and \$0 in 2017)	289,631	-	-	-	341,037	774	-	32,328	532,643	2,395	-	127,381	-	-	-	1,296,138
Intangible net	244,888	-	-	-	-	-	-	-	-	-	-	-	-	-	-	244,888
Prepaid expenses and other assets	1,776,542	14,911	-	4,175	179,391	729	13,789	14,387	1,889,332	-	1,878	289,717	151,112	31,548	-	3,141,382
Total current assets	108,882,723	31,128,381	12,449,955	14,334,798	26,796,128	3,785,671	271,377	2,775,394	38,871,239	125,297	38,422	3,256,862	2,351,987	1,519,886	(23,831,138)	65,748,858
Intangible	17,229,388	-	136,837	-	388,521	-	-	11,528	-	3,888	-	-	883,325	563,888	-	18,227,178
Property, plant and equipment net	61,623,828	1,778	38,188	298,128	7,027,238	94,312	94,288	38,416	775,332	-	-	1,621,591	1,919,258	129,782	-	62,928,717
All Assets	127,739	-	-	-	-	-	-	-	-	-	-	-	-	-	-	127,739
Receivable related to accounts receivable	182,523	-	-	-	577,578	-	-	77,822	-	-	-	-	-	4,882,147	-	4,882,147
Other assets	-	-	-	-	294,642	-	-	-	-	-	-	375,476	-	81,352	-	1,275,774
Total assets	\$ 149,866,887	\$ 32,928,159	\$ 12,615,972	\$ 14,632,926	\$ 35,394,648	\$ 3,999,382	\$ 271,377	\$ 2,814,820	\$ 39,646,621	\$ 129,185	\$ 38,422	\$ 3,632,338	\$ 3,553,975	\$ 1,601,268	\$ (23,831,138)	\$ 77,222,888
LIABILITIES AND NET ASSETS																
CURRENT LIABILITIES																
Accounts payable and accrued liabilities	\$ 28,238,951	\$ 288,951	\$ 90	\$ 314,151	\$ 1,762,917	\$ 4,481	\$ 71	\$ 129,361	\$ 4,486,759	\$ 389	\$ 11,873	\$ 885,271	\$ 982,182	\$ 315,411	\$ -	\$ 31,888,348
Intercompany payable	158,542,644	31,687,128	11,679,884	14,613,188	25,889,365	2,887,573	1,175,118	1,887,188	28,378,147	256,887	132,966	322,126	428,315	545,888	(23,831,138)	-
Deferred revenues	198,381	17,488	1,126	-	1,888	-	(1,948)	-	1,881,887	-	-	23,827	-	2,888	-	4,128,887
Advance from government agency	1,483,381	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,483,381
Current revolving loan	1,483,323	-	-	-	1,888,888	-	-	-	-	-	-	-	289,888	-	-	17,123,123
Current portion of obligations under capital leases	1,877,288	-	-	-	8,918	-	-	-	-	-	-	-	32,128	-	-	1,942,124
Notes payable, current	288,877	-	-	-	153,142	-	-	-	-	-	-	-	75,148	-	-	1,889,381
Total current liabilities	151,388,155	31,983,667	11,888,138	14,927,339	29,782,654	3,997,388	1,872,278	3,288,756	34,758,755	256,786	144,838	1,087,811	1,711,188	938,388	(23,831,138)	63,528,844
LONG-TERM LIABILITIES																
Capital lease obligations	35,254,014	-	-	-	72,887	-	-	-	-	-	-	-	25,887	-	-	35,254,014
Notes payable	25,883,781	-	-	-	5,922,113	-	-	-	-	-	-	11,976	88,548	-	-	14,351,292
Revolving loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	1,877,888	17,772	172,387	24,384	478,888	178	1,354	15	478,318	-	-	882,887	243,571	157,888	-	1,628,292
Total liabilities	229,996,118	31,983,667	12,060,525	15,051,723	36,172,122	3,997,788	1,873,632	3,298,771	37,237,073	256,786	144,838	1,089,811	1,801,736	1,096,276	(23,831,138)	79,908,338
NET ASSETS																
Unrestricted	26,282,496	(171,288)	(1,689,388)	(188,315)	(1,314,156)	288,418	(1,277,823)	(186,385)	1,478,479	(128,838)	(124,418)	1,171,888	489,282	1,796,128	-	26,887,888
Temporarily restricted	388,233	-	38,779	-	-	-	-	-	-	-	-	-	3,611,212	1,881,328	-	6,574,188
Permanently restricted	-	-	75,888	1,382	888,888	-	-	-	-	-	-	-	-	1,371,425	-	1,371,425
Total net assets	26,670,729	(171,288)	(1,582,721)	(186,933)	(1,314,156)	288,418	(1,277,823)	(186,385)	1,478,479	(128,838)	(124,418)	1,171,888	492,894	1,968,553	-	34,833,501
Total liabilities and net assets	\$ 256,666,847	\$ 31,812,379	\$ 12,477,804	\$ 14,864,790	\$ 35,394,648	\$ 3,999,382	\$ 271,377	\$ 2,814,820	\$ 39,646,621	\$ 129,185	\$ 38,422	\$ 3,632,338	\$ 3,553,975	\$ 1,601,268	\$ (23,831,138)	\$ 77,222,888

This statement should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES
Consolidating Statement of Activities
For the year ended September 30, 2018.

	Unrestricted														
	Fedcap Rehabilitation Services Inc.	Without Services Corporation	Refugee	Community Work Services	Enter South New York	Grange Pathways	Red Mange	Enter South Rhode Island	Single Step	Seacoast Pathways	Beverlyport	MTVLE	Enter South Central Texas	Enter South North Texas	Consolidated
REVENUES															
Contract services and products	\$ 94,265,318	\$ 9,288,942	\$ -	\$ 822,162	\$ -	\$ -	\$ 390,097	\$ -	\$ -	\$ -	\$ -	\$ 2,851,093	\$ -	\$ -	\$ 107,418,632
Rehabilitation and vocational programs	100,872,993	3,514,052	4,677,532	2,789,971	28,348,028	1,254,082	-	1,416,294	3,501,324	5,000	-	4,935,953	1,712,512	1,369,928	154,317,661
Contributions and grants	1,422,499	-	12,273	478,722	349,288	69,792	-	213,445	18,416,904	46,381	23,195	93,549	1,312,508	224,862	22,664,418
Inherent contributions	-	-	-	-	-	-	-	-	-	-	-	3,644,595	(187,583)	1,283,176	4,841,419
Unrealized gain on investments	470,331	-	-	-	64,168	-	-	532	-	-	-	-	-	19,227	554,658
Interest income	332,827	-	1,824	787	2,778	-	-	-	7,877	-	-	181	-	2	343,997
Miscellaneous revenues	230,421	908	-	102	9,236	-	-	173	5,577	-	-	130,575	79,230	1,890	484,910
Net assets released from restrictions	483,929	-	6,118	-	-	-	-	-	1,424,417	-	-	-	915,325	5,713	3,645,844
Total revenues	198,097,798	11,423,902	4,696,949	4,093,244	28,673,690	1,323,874	390,097	1,630,442	22,366,099	51,381	23,426	10,256,956	3,831,994	3,014,827	293,475,229
EXPENSES															
Program services															
Contract services and products	83,586,784	8,065,941	-	1,115,875	-	-	557,768	-	-	-	-	1,629,733	-	-	94,956,161
Rehabilitation and vocational programs	91,575,124	3,255,412	3,723,551	2,259,890	26,481,508	1,312,931	-	1,519,170	22,405,111	113,426	-	2,882,874	2,155,092	1,297,030	161,461,538
	177,161,918	11,361,234	3,723,551	3,375,765	26,481,508	1,312,931	557,768	1,519,170	22,405,111	113,426	-	4,512,607	3,355,920	1,297,030	256,417,699
Supporting services															
Management and general	28,363,187	1,590,825	1,461,612	1,075,289	3,041,996	134,918	-	118,522	41,020	-	-	2,789,279	728,061	270,298	39,994,457
Development	780,483	-	4,291	40,507	183,978	-	-	245,561	250,000	-	-	155,852	83,669	13,261	1,063,951
	29,143,670	1,590,825	1,465,903	1,115,796	3,224,974	134,918	-	364,083	331,020	-	-	2,945,131	812,730	283,559	41,058,408
Total expenses	206,315,791	12,951,389	5,288,244	4,511,261	29,746,482	1,447,850	557,768	1,903,453	22,736,171	123,876	-	7,488,492	5,162,731	1,613,837	297,876,107
Change in net assets - unrestricted	(8,217,993)	(1,527,487)	(591,295)	(418,017)	(1,072,792)	(123,976)	(167,671)	(273,011)	629,928	(72,450)	(124,456)	(1,231,576)	(669,263)	(326,009)	(4,402,968)
Net assets at beginning of year - unrestricted	24,499,406	(1,215,212)	(1,108,099)	29,502	(181,561)	274,434	(78,136)	(113,890)	800,351	(45,714)	-	-	-	-	21,816,538
Net assets at end of year - unrestricted	\$ 26,252,416	\$ (877,200)	\$ (1,699,394)	\$ (389,515)	\$ (1,214,352)	\$ 250,458	\$ (247,827)	\$ (386,105)	\$ 1,430,279	\$ (128,209)	\$ (124,456)	\$ 3,471,401	\$ 669,263	\$ 1,296,330	\$ 28,407,639
	Temporarily Restricted														
	Fedcap Rehabilitation Services Inc.	Without Services Corporation	Refugee	Community Work Services	Enter South New York	Grange Pathways	Red Mange	Enter South Rhode Island	Single Step	Seacoast Pathways	Beverlyport	MTVLE	Enter South Central Texas	Enter South North Texas	Consolidated
REVENUES															
Contributions and grants	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Inherent contributions	-	-	-	-	-	-	-	-	-	-	-	-	4,556,518	2,691,048	7,247,566
Net assets released from restrictions	(483,929)	-	(6,118)	-	-	-	-	-	(1,434,417)	-	-	-	(915,325)	(5,713)	(2,845,544)
Total revenues	(483,929)	-	43,882	-	-	-	-	-	(1,434,417)	-	-	-	3,641,193	2,685,335	4,402,022
Change in net assets - temporarily restricted	(483,929)	-	43,882	-	-	-	-	-	(1,434,417)	-	-	-	3,641,193	2,685,335	2,325,538
Net assets at beginning of year - temporarily restricted	794,212	-	(4,091)	-	-	-	-	-	(1,434,417)	-	-	-	-	-	6,276,580
Net assets at end of year - temporarily restricted	\$ 310,283	\$ -	\$ 39,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,641,193	\$ 2,685,335	\$ 8,602,118
	Permanently Restricted														
	Fedcap Rehabilitation Services Inc.	Without Services Corporation	Refugee	Community Work Services	Enter South New York	Grange Pathways	Red Mange	Enter South Rhode Island	Single Step	Seacoast Pathways	Beverlyport	MTVLE	Enter South Central Texas	Enter South North Texas	Consolidated
REVENUES															
Inherent Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in net assets - permanently restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets at beginning of year - permanently restricted	-	-	75,000	7,768	501,660	-	-	-	-	-	-	-	-	-	584,428
Net assets at end of year - permanently restricted	\$ -	\$ -	\$ 75,000	\$ 7,768	\$ 501,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,085,888

This statement should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES

Consolidated Schedule of Functional Expenses

For the year ended September 30, 2018 (with comparative totals for the year ended September 30, 2017)

	2018						2017	
	Program Services			Supporting Services			Total Expenses	Total Expenses
	Contract Services and Products	Rehabilitation and Vocational Programs	Total	Management and General	Development	Total		
Salaries and related expenses	\$ 64,831,121	\$ 87,171,397	\$ 152,002,518	\$ 18,061,071	\$ 543,763	\$ 18,604,834	\$ 170,607,352	\$ 154,660,498
Professional fees	113,423	25,140,718	25,254,141	2,759,130	420,672	3,179,802	28,433,943	17,090,960
Professional development and evaluation	52,094	747,241	799,335	132,123	4,025	136,148	935,483	660,987
Materials and supplies	3,608,680	1,797,653	5,406,333	210,071	18,540	228,611	5,634,944	5,629,326
Commissions	2,656,552	11,500	2,668,052	-	-	-	2,668,052	2,943,520
Telephone	174,268	911,010	1,085,278	574,671	7,514	582,185	1,667,463	1,271,348
Postage and shipping	760,678	243,769	1,004,447	78,091	3,626	81,717	1,086,164	1,022,196
Insurance	1,373,800	1,283,658	2,657,458	664,319	8,609	672,928	3,330,386	2,371,710
Occupancy costs	2,427,298	14,728,399	17,155,697	2,167,689	39,011	2,206,700	19,362,397	15,756,227
Equipment rental and maintenance	835,996	610,584	1,446,580	251,619	9,045	260,664	1,707,244	1,520,182
Equipment purchases	340,665	460,452	801,117	23,478	726	24,204	825,321	962,987
Client transportation and travel	336,303	4,382,234	4,718,537	659,059	60,186	719,245	5,437,782	5,668,620
Subscription and printing	25,142	108,809	133,951	88,013	9,997	98,010	231,961	251,122
Technology	453,739	1,700,845	2,154,584	2,062,538	48,820	2,111,358	4,265,942	3,284,437
Interest expense and bank charges	49	37,509	37,558	3,528,905	260	3,529,165	3,566,723	3,079,150
Bad debt provision (recovery)	-	10,877	10,877	4,589,854	250,000	4,839,854	4,850,731	299,600
Subcontractor expense	15,845,823	13,440,507	29,286,330	167,236	-	167,236	29,453,566	27,807,907
Stipends	32,225	4,396,280	4,428,505	50,720	5,056	55,776	4,484,281	3,835,041
Security guard expense	17,820	1,016,874	1,034,694	16,075	13	16,088	1,050,782	924,131
Other	814,148	2,372,594	3,186,742	223,719	435,126	658,845	3,845,587	5,057,893
Total expenses before depreciation and amortization	94,699,824	160,572,910	255,272,734	36,308,381	1,864,989	38,173,370	293,446,104	254,097,842
Depreciation and amortization	256,277	888,688	1,144,965	3,286,076	962	3,287,038	4,432,003	4,116,984
Total expenses	\$ 94,956,101	\$ 161,461,598	\$ 256,417,699	\$ 39,594,457	\$ 1,865,951	\$ 41,460,408	\$ 297,878,107	\$ 258,214,826

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

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Granite Pathways Board of Directors

First	Last	Board Position
Deborah	Jameson	Finance Committee
Lynne	Westaway	Treasurer
William	Rider	Interim Chairman
Monsignor John	Quinn	
Courtney	Gray-Tanner	
Nick	Brattan	
Jacqueline	Ellis	Seacoast Pathways Board Chair
Heather	Blumenfeld	SHRC Advisory Board
Mark	Lore	

PATRICIA M. REED
NEW HAMPSHIRE STATE DIRECTOR

QUALIFICATIONS

Demonstrated executive with more than 30 years' experience serving individuals with disabilities in children and youth services, addiction services, and residential treatment programs

EXPERIENCE

2018 New Hampshire State Director, Fedcap Rehabilitation Services, Inc., Manchester, NH

- Responsible for overall program management, program expansion and development, fiscal integrity, quality compliance and external relationships in New Hampshire for Granite Pathways, Inc.

2017 to 2018 Consultant

- Provide system analysis and consultation for a variety of entities providing services to individuals with intellectual and other developmental disabilities and behavioral health needs
- Led three NH regional agencies serving this population to plan for youth with challenging behaviors to receive adult services to meet their needs in a community based context

2015 to 2017 Vice President and Chief Operating Officer, Lakeview Management, Inc., Austin TX

- Responsible to provide program and operations consultation and support to Lakeview Specialty Hospital and Rehabilitation Center in Waterford, WI
- Directed to develop relationships with funders and providers in other states to pursue program development to most effectively utilize Lakeview's resources
- Represented the company in all matters for New England, New Jersey and Pennsylvania

2015 Executive Director, Lakeview Neurorehabilitation Center, Inc., Effingham, NH

- Responsible to provide program and operations consultation and support to Lakeview Specialty Hospital and Rehabilitation Center in Waterford, WI
- Directed to develop relationships with funders and providers in other states to pursue program development to most effectively utilize Lakeview's resources
- Represented the company in all matters for New England, New Jersey and Pennsylvania

2014 to 2015 Children's Director, NH Bureau of Behavioral Health, Concord, NH

- Responsible to provide leadership in planning and development of the state children's behavioral health system, act as liaison between CMHC Children's programs and the state office for program and client specific information exchange and problem solving
- Provided support to implement statewide initiatives
- Represented the Department of Health and Human Service on the Children's Behavioral Health Collaborative Executive Committee, Steering Committee and various workgroups
- Co-coordinated the Safe Schools/Health Students grant with the Department of Education

2011 to 2014 Project Director, Health Profession Opportunity Project, NH Office of Minority Health and Refugee Affairs, Concord, NH

- Directed and Implemented a five-year, \$12 million-dollar healthcare workforce development grant to recruit, train and place low income individuals in healthcare jobs
- Developed RFP's, negotiated and managed contracts, and monitored grant and contractor budgets
- Worked closely with regional health care providers to understand their workforce needs; partnered with educational programs and other community groups to ensure that the individuals are well prepared to meet employer expectations for technical and soft skills
- Provided leadership and direction to develop innovative strategies to overcome system based barriers to education, training and self-sufficiency for NH citizens
- Collaborated with other NH workforce programs to efficiently use available resources to achieve shared employment goals

2002 to 2010 Senior Director of Clinical Services, Easter Seals of NH, Manchester, NH

- Provided leadership and oversight for the design, organization and delivery of clinical services for Easter Seals NH, including the development of Autism Services, an adolescent program for dual disorder treatment, residential DBT program and management of a residential treatment program for adults with substance abuse issues
- Provided oversight for the DCYF Administrative Case Review contract
- Developed and monitored budgets for programs
- Worked collaboratively with Easter Seals Development to write federal, state, and foundation grants, progress reports and budget monitoring
- Developed relationships with funders and providers in NH and other states to pursue program development and effective treatment and services for individuals and families

EDUCATION

- Boston College, Chestnut Hill, MA: Graduate School of Arts and Science Department of Sociology (Four Year Doctoral Work)
- B.A. Norte Dame College, Manchester, NH Major- Behavioral Science/ Minor- English Summa Cum Laude, Dean's List

RESEARCH EXPERIENCE

Contracted to assist staff and clients on three community based residential facilities in the development of client self-government programs through participant observation and didactics. Responsible for both training and evaluation. Sites Included Seacoast Mental Health Center- Portsmouth, NH and Greater Manchester Mental Health Center- Manchester, NH. Responsible for leading the research design, data collection and reporting for the evaluation of a partial Hospital Program. The primary methodology was intensive interviewing.

Lorene T. Zammuto, MSN RN

603.832.3354

lorene0072@yahoo.com

LinkedIn: <https://www.linkedin.com/in/lorene-zammuto-msn-rn-8ab245139>

PROFILE SUMMARY

Experienced interim and permanent healthcare/nursing executive with a comprehensive background in operational healthcare leadership over complex populations including behavioral health, psychiatric, substance use disorder, DD, neuro rehab, home health and LTC, specializing in program development and systems implementation.

Expert with start-up operations, operational stabilization, crisis management and consolidation. Highly proficient in QAPI/Quality measures and cost reduction/utilization review. Excellent track record of team building and department restructuring, yielding significant improvements in safety, compliance, quality, cost savings; and crisis management.

Extensive experience working with physicians, home health, and hospital organizations. Broad, general management skills encompassing all functional disciplines. Excellent organizational and communication skills with strong independent decision-making ability. Expert process and project management capability. Strong negotiation and analytical skills. Solid development and mentoring skills.

EDUCATION & CERTIFICATIONS

Doctor of Nursing Practice (DNP) Grand Canyon University, Phoenix, AZ attending
Master of Science in Nursing (MSN) Grand Canyon University, Phoenix, AZ 2016
Bachelor of Science in Nursing (BSN) Grand Canyon University, Phoenix, AZ 2014
Associate in Nursing (AS) Lakes Region Community College, Laconia, NH 2010
Masters Practicum, NH Board of Nursing, Concord NH 2016
Special project on Therapeutic Cannabis completed and submitted to Board.
BLS, Certification
Certified level 1 Investigator, Labor Relations Alternatives Inc.
Lean Six Sigma White Belt
Current unrestricted RN licensure: NH, MA

HEALTHCARE EXPERIENCE

Granite Pathways Youth Residential Treatment Center Manchester, NH
36 bed non-profit adolescent residential substance use disorder treatment facility
Executive Director 6/2018 to present

- Report directly to the State Director
- Led startup operations from RFP issued by state Bureau of Drug and Alcohol Services
- Developed initial programming and staffing models
- Supervise operations including medical, nursing, clinical, residential and administrative services
- Report to board of directors quarterly
- Responsible for budget management
- Extensive outreach, community partnering and fundraising

Baystate Health/Baystate Wing Hospital Palmer MA
74 bed non-profit community hospital with medical, surgical, critical care, emergency and psychiatric services
Interim Behavioral Health Nurse Manager 6/2018 to present

- Report directly to the Chief Nursing Officer
- Direct leadership of acute adult psychiatric unit, and acute geriatric psychiatric unit
- Brought in post-survey to develop and implement operational improvements and special projects
- Responsible for budget finalization and management
- Supervised 90 FTEs
- Worked closely with senior leadership team to institute quality and process improvement initiatives

- Developed training modules and communication systems to improve management of milieu and staff productivity

LORENE ZAMMUTO, MSN, RN CONSULTING

Portsmouth, NH

*Independent healthcare and nursing program consulting for residential and community healthcare systems***Independent Consultant**

2/2018-6/2018

- Independent healthcare operations, start-up, and nurse program consulting for healthcare systems including substance use programs.

PARADIGM HEALTH PLANS

Portsmouth, NH

*Privately held health plan administrator for self-funded groups***Vice President of Operations**

4/2017 to 2/2018

- Reported directly to CEO
- Organization that designed and administered health plans for self-funded groups, 4000 members on plan
- Leadership over multiple programs including; account management, client services, call center, telehealth program, wellness program, nurse coaching program, human resources, IT, and implementation
- Served as Corporate Privacy Officer
- Completed medical underwriting reviews
- Developed nurse coaching program
- 98% group renewal under my leadership

NORTHWOODS HOME HEALTH & HOSPICE

Lancaster, NH

*Non-profit partner facility of North Country Healthcare serving the upper 1/2 of the state. Average patient census exceeds 400 across all programs. Largest home health & hospice provider in the North Country.***Interim Executive Director/Administrator**

6/2016 to 12/2016

- Reported directly to CEO of North Country Healthcare
- Brought in to help merge home health agency with another community home health organization and to join North Country Healthcare, a 4-hospital healthcare system serving northern NH
- Responsible for all administrative and clinical programs
- Increased hospice census by 40%
- Stabilized staffing and made numerous operational changes to better utilize resources
- Extensive community and partner outreach
- Highest revenue generating Hospice Gala in company's history
- Successfully transitioned organization into newly consolidated agency
- Served as Home Health Administrator
- Responsible for financial and service outcomes
- Collaborated with partner hospital CMOs and clinical teams for improved patient outcomes

GREEN MOUNTAIN TREATMENT CENTER

Effingham, NH

*For-profit 75-bed addiction/recovery residential facility specializing in SUD and comorbidities including psychiatric diagnosis***Director of Operations & Nursing Services/Administrator**

11/2015 to /2016

- Reported directly to COO of parent company
- 88 bed start up, new residential substance use disorder facility that took over the property formerly operated by Lakeview NeuroRehabilitation Hospitals.
- Retained by new owners for startup oversight and leadership
- Collaborated with both state and local agencies to secure permissions for new business model
- Direct oversight of \$300k in renovations to 200-acre property and buildings
- Hired all 75 employees including medical and nursing teams
- Developed administrative and programming policies and procedures
- Developed staff training program

- Successfully opened facility in January of 2016

LAKEVIEW NEUROREHABILITATION HOSPITALS

Effingham, NH/Waterford WI

Privately held 88 bed residential treatment facility for adults and children with severe behavioral issues related to developmental disabilities, mental health, psychiatric diagnoses, and traumatic brain injury as well as other neurological diagnoses

Chief Clinical Consultant (NH and WI locations) 9/2015-11/2015

Director of Nursing & Health Services 12/2012 to 9/2015

Home Health Administrator 4/2013-7/2015

- Reported directly to COO of hospital system
- Oversight of nursing, pharmacy and health services programs, and medical services for main campus as well as 6 community living facilities and a home health agency
- Functioned as School Nurse Administrator for campus elementary, middle and high schools
- Deficiency free surveys for Joint Commission, CARF and DHHS for nursing services
- Saved \$900k annually by closing onsite pharmacy and partnering with Omnicare
- Worked closely with QAPI Director serving on QAPI team
- Served on Trauma Response Team
- Provided legal advice and legal nurse consulting for organization
- Developed extensive root cause analysis and performance improvement programs to address quality issues
- Ownership closed the Effingham location in 9/2015. I was one of only 2 employees that were kept on for this transition out of 400 employees
- Closed the NH campuses and facilities
- Traveled to WI to provide clinical and nursing consulting for LTACH hospital location
- Secured new operator for Effingham campus

GENESIS HEALTHCARE

Concord, NH

Leading provider of short-term post-acute, rehabilitation, skilled nursing and long-term care services

Nurse Practice Educator

4/2012 to 12/2012

- Reported to Director of Nursing
- Joined facility to develop and oversee transitional care unit education program
- Developed training program for all nursing staff with individual modules and hands-on practice
- Collaborated with Unit Manager on training needs and drills
- Provided bedside clinical training with nursing staff
- Served on Wound Team
- Developed performance improvement plans to address survey outcomes from prior year

BELKNAP COUNTY NURSING HOME

Laconia, NH

94-bed LTC county facility with collective bargaining agreement

Nursing Supervisor

6/2011 to 4/2012

- Responsible for entire facility on night shift. Oversight of nursing services and patient care for this 93 bed SNF facility
- Served on leadership team
- Worked with DON and Administrator on union State Employee Association (SEA) issues relating to nursing staff
- Reduced falls on shift to zero after piloting a rounding system that I personally developed. Falls on shift were averaging over 25 per month previously
- Responsible for hiring, training, and managing all employees on shift

SPEARE MEMORIAL HOSPITAL

Plymouth, NH

Non-profit Critical Access Hospital**Registered Nurse**-Labor & Delivery, Med/Surg, Emergency Dept 6/2010-4/2011**Nurse Extern**-Emergency Dept 5/2009-6/2010**Licensed Nursing Assistant** Med/Surg, Emergency Dept, ICU 4/2006-5/2010

Plymouth, NH

- Joined this critical access hospital as an LNA in 2006. Received LNA of the year in 2008. Assigned to multiple units
- Was the only nurse accepted into Nurse Extern program in 2009. Worked exclusively in the Emergency Department on all shifts
- Joined the Labor and Delivery team in 2010 as a Registered Nurse. Assisted in multiple deliveries and cesarean section deliveries
- Float RN to ED, Med/Surg, CCU
- Assisted in preparing infants and mothers for emergency transport
- Certified in neonatal resuscitation
- Certified in fetal monitoring
- Served on Trauma Response Team

SPECIAL SKILLS

Budget development and stabilization

Substantial cost reduction

Staffing stabilization

Deficiency free survey (CARF/JOINT COMMISSION, CMS)

Accreditation readiness

Process implementation

Policy development

Safety improvement

Fall reduction

Medication administration occurrence rate-reduction

Patient safety

EMR implementation

Consolidation/merger/closure

Staff development program implementation

Executive leadership committees

Board presentations

Workflow improvement

Proposal review

Program development and systems-implementation

Complex populations (behavioral health, -substance use disorder, DD, Neuro-behavioral, Neuro rehab, LTC, children)

Experienced with start-up operations, -operational stabilization, crisis management and consolidation

Highly proficient in QAPI/Quality measures -and cost reduction/utilization review

Team building and department restructuring

Physician Relations/Hospital systems/ACOs

Broad, general management expertise

Personal Leadership Qualities

- Servant leader
- Visionary, creative, and entrepreneurial
- Excels in fast paced and changing environments
- Effective communicator
- Strong independent decision-making ability
- Expert project management leadership
- Change agent
- Fiscally responsible/Strong negotiation and analytical skills
- Strong development and mentoring skills

AYANNA WILSON

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SOFTWARE

Oracle, Fund EZ, QuickBooks, Great Plains, Fundware, Mas 90, SAP, Salesforce, and Intermediate to advance Excel skills.

PROFESSIONAL EXPERIENCE

FEDCAP Group, Inc.

2016 - Present

Grant Manager

- Ensure all Grant Funded projects are operating and accounted for correctly, including signed contracts, detailed budgets, periodic invoicing, cost allocations, no-cost extensions, budget modifications, as well as supporting documents to management for grant reporting
- Manage all cost reimbursement contracts as well as provide oversight of the financial reporting
- Supervise one Budget analyst, Grant Accountant, and two Senior Accountants.
- Manage all accounting of dollars in and out for several Robin hood grants totaling 15-million-dollars
- Prepare all financial reporting vouchers per government and/or foundation grants to ensure all cost reimbursements are paid promptly.
- Built schedules, processes and reconciliations to support financial analysis.
- Assist program staff with 2017/2018 fiscal year budget.
- Prepare and review financial reporting packages in accordance with U.S. GAAP
- Review disbursements to ensure proper coding, authorization and budgetary approval
- Complete month end close, including analysis, reconciliation, and investigation of variances
- Review contracts to ensure proper allocation and processing to appropriate funding sources
- Responsible for year-end close, annual audit, preparation and submission of form 1099
- Responsible for all accounts payable, receivable and collections
- Created and maintained cash flow projection to ensure all collections and accounts payable processing is current
- Contribute to the ongoing review to strengthen internal controls, processes and procedure
- Manage all credit card accounts, including; processing charges, collecting receipts, coding data and entry into the accounting system

TransPerfect, Inc.

2015 – 2016

Senior Accountant

- Completed month-end close for 11 companies in Europe, including currency conversions entries
- Assisted with preparation of consolidated financial statements
- Prepare account reconciliations for cash, prepaids, fixed assets, accruals, expenses and inter-company transactions
- Supervise two Staff Accountants
- Maintained international payroll schedules for each entity in Europe
- Completed monthly bank reconciliations 30 bank accounts
- Balance sheet analysis to ensure all accounts receivable and accounts payable is accurately posted
- Ensured all payroll payable accounts were reconciled
- Reconcile intercompany accounts receivable and accounts payable

**St. Barnabas Hospital
Staff Accountant**

2012 - 2015

- Prepare and review financial reporting packages in accordance with U.S. GAAP
- Prepare monthly Profit & Loss report for Burn Unit and Sleep Study program
- Balance sheet analysis for prepay, accounts receivable, and accrued expenses
- Created an annual budget and forecast for telecommunication, and contract services
- Recorded monthly revenue and expense accruals as well as prepaid entries
- Net Asset Release Entries
- Created and maintained Profit and Loss report to record all cost accruals
- Responsible for managing all malpractice insurance settlement and legal expense disbursements

**Westchester Community Opportunity Program
Grant Accountant**

2009-2012

- Responsible for federal and state grant reporting
- Assisted with Preparation of Financial packages in accordance with U.S. GAAP
- Responsible for the cash management and financial reporting for several federal and state grants
- Recorded monthly Revenue recognition entries
- Prepared allocation schedules and assisted with month-end close
- Created grant modifications
- Point of contact for federal and state audits
- Ensure timely preparation and submission of monthly vouchers and expenditure justifications.
- Created budget vs forecast reports for Executive Director
- Monthly analysis of Trial Balance/General Ledger

**Ippolita
Accounts Payable / Accounts Receivable Coordinator**

2006 – 2008

- Responsible for month end close
- Processed all aspects of accounts payable and weekly check runs
- Created monthly commission statements and calculated monthly payouts
- Created weekly cash projection for CFO
- Responsible for the collection process by managing and reporting on accounts receivable and collections
- Responsible to resolve client chargebacks on accounts such as Saks Fifth Ave and Bergdorf Goodman
- Created and submitted daily cash flow and monthly cash management forecast to CFO
- Assisted with inventory management as needed

EDUCATION

June 2008 - MONROE COLLEGE
BBA / Accounting
Graduated Cum Laude

Tara Mercado

Summary of Qualifications

- HIPAA mandated code sets: ICD-9/10-CM, CPT, HCPCS • Epic • IDX • System A • MEDISENSE • Seacoast • Meditech • eClinical Works • LMR/Data view • Ebridge • RIS • ScerIS • PaySpan • EasyPrint • Dataview • Copia • Passport • Emdeon • CPU • QS1 • Cerner • Microsoft Office
- Medicare • Medicaid • United Health Care • Cigna • Anthem • Harvard Pilgrim • Tufts • Multiple Commercial and Workers Comp Insurances • Self Pay • State Contracts

Education

Seacoast Career School

Manchester, NH Health Claims Certificate 2007

New Hampshire Community Technical College

Studied Design 2003-2004

Central High School

1999-2003

Professional Background

Billing Specialist

Granite Pathways • Concord NH

November 2018 to current

- Substance Use Disorder Billing
- Reviewing, Coding and Submitting Vendor Invoices for Payment
- Creating and Training of accounts receivable process
- Act as a Liaison between programs and billing company
- Sort and process incoming correspondence
- Communicate with facilities, vendors, and staff effectively
- Maintain multiple spreadsheets with data entry

Billing Representative

XRAY Professional Association • Concord NH

October 2017 to October 2018

- Ancillary Billing
- High volume posting of payments
- Electronic paper billing/appeals and follow up
- Process adjustment requests, denial posting, patient and insurance refunds
- Answer high volume patient calls and review monthly statements
- Sort and process incoming correspondence
- Communicate with hospital/facility staff and or responsible parties of patients
- Research payer policies and covered policies via websites

Billing Representative
US Labs • Lakeville MA

August 2016 to April 2017

- Lab Billing
- Assist in reducing A/R for multiple payers over 30 days
- Data, Insurance, Order Entry
- Electronic paper billing/appeals and follow up
- Process adjustment requests, denial posting, patient and insurance refunds
- Answer patient calls and review monthly statements
- Sort and process incoming correspondence
- Research payer policies via payer websites

Billing Representative II
Mass General Physicians Organization • Bedford, NH

December 2012 to July 2016

- Physicians Billing
- Assist in reducing A/R for multiple payers over 30 days
- Identify trends or inconsistencies with payers
- Process paper and/or electronic appeals
- Electronic and paper billing/appeals and follow up
- Process adjustment requests, denial posting, patient and insurance refunds, credits
- Maintain quality communication with A/R managers within organization
- Resolve customer service inquiries for patient requests
- Assist GPM with account resolutions with projects or patient/provider concerns
- Sort and process incoming correspondence
- Research payer policies via payer websites

Claims Resolution Associate
Affiliated Professional Services • Wareham, MA

October 2011 to October 2012

- Physicians Billing
- Responsible for high volume collections via electronic remittance as well as paper denials
- Complete monthly aging over 45 days on all accounts to improve cash flow
- Obtain all billing information, authorizations, and referrals via phone email and hospital systems
- Process mail, payer denials, attorney requests, PIP exhaust letters, bankruptcies, self-pay statements
- Perform follow up on outstanding claims
- Process paper and/or electronic appeals

Accounts Receivable/Collections Specialist
Easter Seals • Manchester NH

December 2007 to June 2010

- Residential and Physicians Billing
- Responsible for high volume collections (65 to 70 calls per day)
- Complete monthly aging reports over 30 days to improve cash flow
- Maintain electronic, web, paper and statement billing for several group homes
- Perform data charge entry for residential stays, schooling and special stays
- Obtain all billing information, authorizations, and referrals via phone email and hospital systems
- Research contracts thru state funded insurances, private carriers, self-pay and responsible school districts
- Maintain monthly reports on revenue adjustments

- Research variances
- Report monthly cash projections for all insurance carriers

Achievement/Honors

Recipient of the President's Award at Easter Seals. Developed and implemented a new procedure for current staff and state of NH workers to follow. This procedure eliminated revenue adjustments and saved resources for collecting payments on outstanding claims deemed un-collectable. This procedure changed the department goal of outstanding claims from 60 days to 30 days. The end result was increased cash flow and reduction in A/R over 90 days.

Granite Pathways, Inc.

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Robin Fisk	Sr. VP Occupational Health	\$153,000	5%	\$3,825
Patricia Reed	State Director	\$105,000	10%	\$10,500
Lorene Zammuto	Executive Director	\$130,000	20%	\$26,000
Tara Mercado	Billing Specialist	\$43,680	25%	\$10,920
Undetermined	Administrative Assistant	\$37,440	100%	\$37,440
Undetermined	MLADC	\$55,000	25%	\$13,750
Undetermined	Masters Level Clinician (2)	\$50,000	100%	\$100,000
Undetermined	Case Manager/CRSW	\$37,440	100%	\$37,440
Undetermined	Case Manager/CRSW	\$37,440	100%	\$37,440
Undetermined	Case Manager/CRSW	\$37,440	100%	\$37,440
Undetermined	Contract Manager	\$65,000	25%	\$16,250