



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

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

Nicholas A. Toumpas  
 Commissioner

Mary Ann Cooney  
 Associate Commissioner

January 13, 2014

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

**REQUESTED ACTION**

Authorize the New Hampshire Department of Health and Human Services, Division for Children, Youth and Families to enter into an agreement with Child and Family Services of New Hampshire (Vendor # 177166-B002), 464 Chestnut Street, Manchester NH 03101, in an amount not to exceed \$150,000, for the provision of recruitment and retention activities for Resource Family Homes, effective January 29, 2014 or date of Governor and Council approval, whichever is later, through December 30, 2015.

*100% Federal funds*

Funds to support this request are available in the following account in State Fiscal Years 2014 and 2015 budgets and are anticipated to be available in the 2016 budget with the authority to adjust amounts within the price limitation and amend the related terms of the contract without further approval from Governor and Executive Council:

**05-95-42-421010-29730000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD PROTECTION, PROMOTING SAFE AND STABLE FAMILIES**

SFY	Class/Object	Class Title	Activity Number	Budget
2014	102-500734	Contracts for Program Services	42107306	\$37,500
2015	102-500734	Contracts for Program Services	42107306	\$75,000
2016	102-500734	Contract for Program Services	42107306	\$37,500
			<b>Total:</b>	<b>\$150,000</b>

**EXPLANATION**

Safe and nurturing homes must be available in each community to provide temporary protection and a family experience for children who cannot be safely cared for in their own homes. New Hampshire's foster care and adoption programs individualize the permanency goals for each child in out of home care.

The Division for Children, Youth, and Families desires to develop and implement statewide recruitment and retention plans that result in a pool of culturally diverse, licensed and trained resource families to serve the various needs of children in care. The Division seeks to expand this recruitment to include many other family resources that result in a broader menu of permanency options for children utilizing unique marketing trends and statewide needs analysis.

Foster parents, licensed by the State of New Hampshire, provide a valuable service for the children and families they serve and the communities in which they live. The role of foster parents has expanded to include those who provide temporary care, respite care, emergency care or lifelong family connections through adoption of children from the child welfare system. As a member of the social service delivery team, foster parents provide the family setting, the daily care that enables children to grow and develop and often mentor the child's parents to support reunification efforts.

The Division for Children, Youth and Families also recognizes that support and appreciation is an important component to ensure the retention of experienced foster families. Local support groups form around training and social opportunities and can become an invaluable resource for less experienced foster parents. Outreach, newsletters and networking events also contribute to a foster parent's sense of community and enrich their fostering experience.

This contract was competitively bid. On September 6, 2013 the Department issued a Request for Proposals to solicit proposals for the provision of combining recruitment and retention activities for Resource Family Homes with support services and technical assistance for Foster and Adoptive Families. The request for proposals was available on the Department of Health and Human Services website from September 6, 2013 through October 18, 2013. There was one proposal submitted.

The proposal was evaluated by a team of Department of Health and Human Services employees with knowledge of the program requirements and the Division for Children, Youth and Families' Foster Care and Adoption Programs. The team also included staff with significant business and management expertise.

The proposal was evaluated based on the criteria published in the Request for Proposals, Child and Family Services of New Hampshire was selected. The bid summary is attached.

The attached contract calls for the provision of these services for two years and reserves the Division's right to renew the agreement for up to two additional years, based upon the satisfactory delivery of services, continued availability of supporting funds, and Governor and Executive Council approval.

Should Governor and Council not authorize this request, the number of available foster and adoptive homes would decline, and without the availability of foster and adoptive homes, these children would likely be placed in residential care, which has a higher cost and the care might not be clinically appropriate for the children.

Her Excellency, Margaret Wood Hassan  
And the Honorable Council  
January 3, 2014  
Page 3 of 3

Area Served: Statewide.

Source of Funds: 100% Federal Funds.

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

Respectfully submitted,



Mary Ann Cooney  
Associate Commissioner

Approved By



Nicholas A. Toumpas  
Commissioner



**Contracts & Procurement Unit  
Summary Scoring Sheet**

**The Recruitment & Retention of  
Resource Families and Provision of  
Support Services & Technical  
Assistance to Foster & Adoptive  
Parents**

**14-DHHS-DCYF-06**

RFP Name

RFP Number

Reviewer Names

1. Eileen Mullen, Administrator III
2. Ann Abram, Child Protective Services Worker IV
3. Kathleen Companion, Program Specialist IV
4. PJ Nadeau, MBA CPM
- 5.
- 6.
- 7.
- 8.
- 9.

Pass/Fail	Maximum Points
PASS	200
	200
	200
	200
	200
	200
	200
	200

**Bidder Name**

1. Child and Family Services

2. 0

3. 0

4. 0

5. 0

6. 0

7. 0

8. 0

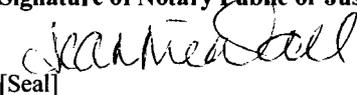
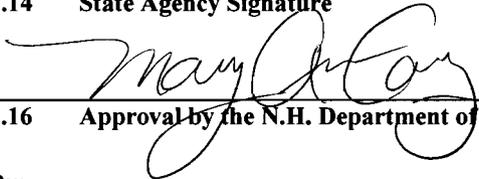
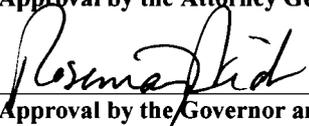
Subject: Recruitment and Retention of Resource Families and provision of support services and technical assistance to foster and adoptive families

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> Department of Health and Human Services Division of Children, Youth, and Families		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301	
<b>1.3 Contractor Name</b> Child and Family Services of New Hampshire		<b>1.4 Contractor Address</b> 464 Chestnut Street, PO Box 488 Manchester, NH 03105	
<b>1.5 Contractor Phone Number</b> 603-518-4143	<b>1.6 Account Number</b> 10-042-29730000-102- 500734-42107306	<b>1.7 Completion Date</b> 12/30/15	<b>1.8 Price Limitation</b> \$150,000
<b>1.9 Contracting Officer for State Agency</b> Eric D. Borrin		<b>1.10 State Agency Telephone Number</b> 603-271-9558	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> BOBIA ALVAREZ DE TOLEDO, President & CEO	
<b>1.13 Acknowledgement:</b> State of <u>NH</u> , County of <u>Hillsborough</u> On <u>12/30/15</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b>  [Seal] <b>JEANNIE WALL, Notary Public</b> My Commission Expires March 20, 2018			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b> JEANNIE WALL, HR Director			
<b>1.14 State Agency Signature</b> 		<b>1.15 Name and Title of State Agency Signatory</b> MARY ANN COONEY Associate Commissioner	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b> By:  On: <u>1-14-14</u>			
<b>1.18 Approval by the Governor and Executive Council</b> By: _____ On: _____			

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**14. INSURANCE.**

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

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

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

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

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

Contractor Initials: BA  
Date: 1/10/14

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

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

**19. CONSTRUCTION OF AGREEMENT AND TERMS.**

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

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

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

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

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

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



## Exhibit A

### Scope of Services

#### 1. PROVISIONS APPLICABLE TO ALL SERVICES

- 1.1 The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the 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.

#### 2. Services to Be Provided

The Contractor hereby covenants and agrees that during the term of this Agreement, all funds from this contract shall be used solely for the provision of services to coordinate the State's efforts to combine recruitment and retention activities for Resource family homes with support services and technical assistance for Foster and Adoptive Families, with the descriptions cited below, which include, but are not limited to:

- 2.1 The contractor will initiate a statewide campaign for recruitment of resource families that reflect the identified needs of local district offices and the State as a whole.
- 2.1.1 The contractor will host a forum with the Division For Children, Youth and Families (DCYF), the New Hampshire Foster and Adoptive Parent Association (NHFAPA) and other invited stakeholders to discuss, analyze and build consensus on:
- 2.1.1.1 What is working in the current processes for recruitment
  - 2.1.1.2 What is working in the current process of retention
  - 2.1.1.3 The strengths and needs of the existing R&R plans and activities
  - 2.1.1.4 The unmet needs for existing State and District offices
  - 2.1.1.5 What the contractor can do for each District Office and the State as a whole to improve the process and outcomes
  - 2.1.1.6 What target audiences are needed for prospective foster and adoptive parent to meet the needs of youth in and coming into care
  - 2.1.1.7 What support is needed to ensure that families have access to local and state wide support groups or associations
  - 2.1.1.8 What messages will resonate with the audiences
- 2.1.2 The contractor will work in collaboration with the Division for Children, Youth and Families (DCYF) to meet all requirements and seek any clarifications to ensure the delivery of a clear and realistic message about the expectations of foster families and adopting from foster care.



## **Exhibit A**

- 2.1.3 The contractor will work in collaboration and partnership with all agencies within the state who are engaged in recruitment activities to enhance such efforts. Those agencies include but are not limited to:
  - 2.1.3.1 Community and Faith-based Initiative
  - 2.1.3.2 Granite State College
  - 2.1.3.3 Wendy's Wonderful Kids
  - 2.1.3.4 All Division for Children, Youth and Families district and state offices
  - 2.1.3.5 University System of NH Cooperative Project Agreement providers
  - 2.1.3.6 New Hampshire Foster and Adoptive Parent Program Association
- 2.1.4 The contractor will assist in developing the annual recruitment and retention plans with each DCYF district office as well as the overall state plan.
  - 2.1.4.1 A minimum of 13 events will be planned, one for each district office and the state office.
  - 2.1.4.2 The contractor will ensure a minimum of \$10,000 be available to support and promote the above events.
  - 2.1.4.3 The contractor will ensure all plans are designed to respond to the unique needs and demographics of children and families in each district office region through culturally sensitive approaches.
  - 2.1.4.4 The contractor is responsible to produce the written R&R Plans and submit to the State Office within 30 days of the meeting
- 2.1.5 The contractor will obtain pre-approval for all advertising and media presentations from both, the Division for Children, Youth and Families (DCYF) and the DHHS Public Information Office.
- 2.1.6 The contractor will address the three levels of recruitment, using the results from the forum and the NH Practice Model as a foundation:
  - 2.1.6.1 General:
    - 2.1.6.1.1 The contractor will implement a comprehensive media plan to enhance public awareness about foster and adoptive care programs
    - 2.1.6.1.2 The contractor will use resource families as key recruiters
  - 2.1.6.2 Targeted:
    - 2.1.6.2.1 The contractor will work to develop and implement creative and innovative recruitment strategies for targeted groups of children and youth with the appropriate community partners.
    - 2.1.6.2.2 The contractor will identify the best qualities of families that would present a good fit or match for the identified groups of children needing recruitment.



## Exhibit A

- 2.1.6.3 Child-Specific:
  - 2.1.6.3.1 The contractor will develop creative and innovative recruitment strategies.
  - 2.1.6.3.2 Relative care will remain an option with a focus on assisting the District Offices with intensive relative searches as requested:
  - 2.1.6.3.3 The contractor will meet regularly with Division for Children, Youth and Families (DCYF) staff to review and determine which children may benefit from child-specific recruitment strategies
  - 2.1.6.3.4 The contractor will work with the Community and Faith Based Initiative and other community partners to help the youth remain in their community
  - 2.1.6.3.5 The contractor will help the Division for Children, Youth and Families (DCYF) to produce and promote child-specific recruitment activities using media connections
  - 2.1.6.3.6 The contractor will assist in updating the heart gallery project display and support their activities
  - 2.1.6.3.7 The contractor will provide proper locations for "Waiting Children" posters that will support and assist the State in the promotion of recruitment of resource families.
- 2.2 The contractor will enhance community support and public awareness about foster and adoptive care programs by:
  - 2.2.1 Utilizing various media outlets with the pre-approval of the Division For Children, Youth and Families (DCYF) and DHHS Public Information Office
    - 2.2.1.1 Television;
    - 2.2.1.2 Cable
    - 2.2.1.3 Radio;
    - 2.2.1.4 NHFAPA website and Facebook page
    - 2.2.1.5 Negotiating with local cinemas to have Public Service Announcements air prior to movie previews;
    - 2.2.1.6 public speaking opportunities at various community and civic groups including but not limited to the:
      - 2.2.1.6.1 Kiwanis groups
      - 2.2.1.6.2 Chambers of Commerce,
      - 2.2.1.6.3 Rotary Clubs engagements
    - 2.2.1.7 News stories featured in "All in the Family" periodical



## Exhibit A

- 2.2.1.8 Print media for advertising (pre-approved by Division For Children, Youth and Families (DCYF) and DHHS Public Information Office) in papers such as:
  - 2.2.1.8.1 Union Leader;
  - 2.2.1.8.2 Concord Monitor;
  - 2.2.1.8.3 Laconia Citizen;
  - 2.2.1.8.4 Hippo
- 2.2.2 During the contractors "Concerts for the Cause" fundraisers the contractor will
  - 2.2.2.1 make an announcement about resource family opportunities
  - 2.2.2.2 put an ad in the playbill on where to get more information about resource family opportunities,
  - 2.2.2.3 have program literature in the lobby
  - 2.2.2.4 present a slide show presentation pre-intermission and post show featuring foster parenting
  - 2.2.2.5 will ensure that all interested parties have the Division for Children, Youth and Families contact information.
- 2.2.3 The contractor will ensure awareness through Community presence at
  - 2.2.3.1 Farmers markets
  - 2.2.3.2 fairs
  - 2.2.3.3 Women's expos.
- 2.2.4 Work in partnership with CFBI on recruitment events with community and faith based organizations
- 2.3 The contractor will assist NHFAPA with the master calendar for all statewide recruitment and retention events (including trainings and supports) regardless of the organization hosting them.
- 2.4 The contractor will plan and implement recruitment with culturally and ethically focused organizations. Recruitment plans will be designed to respond to the unique needs and demographics of children and families in each district office region through culturally sensitive approaches.
- 2.5 The contractor will ensure that the Division for Children, Youth and Families (DCYF) is listed as the contact for all participants at recruitment events and will provide DCYF with the sign up list within five (5) days after each event.
- 2.6 The contractor will ensure strong NH foster and adoptive parent participation and work collaboratively with the Division for Children, Youth and Families, the Education and Training Partnership and New Hampshire Foster and Adoptive Parents Association to start tentative planning and organization for the 2018 New England Foster Care Association biannual regional conference.



## Exhibit A

- 2.7 The contractor will ensure that a NHFAPA board member serves on the New England Foster Care Association and will assist as a member of NEFCA for the duration of the contract.
- 2.8 The contractor will provide support and technical assistance to NHFAPA to explore and find possible funding sources for the association which may include assistance with grant preparation.
- 2.9 The contractor will assist the New Hampshire Foster and Adoptive Parent Program Association with updating their Facebook page on a monthly basis.
- 2.10 The contractor will participate in planning and facilitating special events for both National Foster Care month in May and National Adoption Month in November
  - 2.10.1 The contractor will coordinate with the State and District Offices and participate in their event planning.
  - 2.10.2 The contractor will promote recruitment events via use of media outlets such as:
    - 2.10.2.1 Websites
    - 2.10.2.2 Periodicals
    - 2.10.2.3 Provide media pieces and event details to partners
- 2.11 The contractor will ensure resource family participation in specialized training and conferences throughout the year in collaboration with Granite State College and the Education & Training Partnership by:
  - 2.11.1 Identify and overcome barriers to participation by:
    - 2.11.1.1 Providing scholarships, discounts and or mileage stipend support
    - 2.11.1.2 Working in conjunction with the education and training partnership to assist with child care during conferences
  - 2.12 The contractor will meet regularly with Community and Faith Based Initiative, Wendy's Wonderful Kids and other partners to ensure the cooperative coordination of recruitment and retention efforts across the state.
- 2.13 The contractor will coordinate with other agencies, statewide, that are certified to provide Individual Service Option service level foster care to ensure cooperative recruitment and retention efforts, share information, ideas and expertise.
- 2.14 The contractor will support the retention efforts and resource family appreciation initiatives of each District Office and the State as a whole.
  - 2.14.1 The contractor will work with each District Office to build or strengthen its regional FAPA or support group
  - 2.14.2 The contractor will encourage families to embrace and take full advantage of the variety of supports.
  - 2.14.3 The contractor will provide regular social, fun and learning



## Exhibit A

- 2.14.4 The contractor will recognize the value of successful resource families by:
  - 2.14.4.1 Using resource parents as recruiters
  - 2.14.4.2 Recruiting resource parents to serve on committees and serve in leadership roles that may include active involvement in program and policy development.
  - 2.14.4.3 Celebrate resource families periodically throughout the year, which may include media recognition
  - 2.14.4.4 Invite and encourage attendance and participation in accessible events and meetings
  - 2.14.4.5 Showcase resource family efforts and successes in forums like the "All in the Family" newsletter, the "Connector" and at events as appropriate.
  - 2.14.4.6 Providing funding for expressions of thanks and appreciation events when foster families go above and beyond with a child or family.
  - 2.14.4.7 Assisting the DHHS District Offices with funding, support and participation for appreciation events and the FACES graduation events.
  
- 2.15 The contractor will provide support for accessible training opportunities at various locations statewide and at annual conferences in partnership with Granite State College and the Education & Training Partnership.
  - 2.15.1 The contractor will coordinate in partnership with Granite State College and the Education & Training Partnership the annual Resource Worker Training Day.
- 2.16 The contractor will provide support services and technical support to NHFAPA
- 2.17 The contractor will provide support to the District Offices by
  - 2.17.1 Coordinating with the DO staff and participating in retention activities and supports.
  - 2.17.2 Discussing ways with Division For Children, Youth and Families (DCYF) to track and gather feedback about the recruitment process which include feedback from families that choose not to continue with the process
  - 2.17.3 The contractor will receive electronic request through Division for Children, Youth and Families (DCYF) staff for a recruitment or retention activity, the contractor will process the request, issue the funds upon receiving supporting documentation. A copy of all processed requests will be sent to the DCYF Foster Care Program Specialist
- 2.18 The contractor will ensure involvement from resource on Rule and, policy research and development by:
  - 2.18.1 Working with NHFAPA and other partners to identify foster and adoptive parents interested in engaging in policy and related activities



## Exhibit A

- 2.18.2 Soliciting suggestions and participation through local support groups or during NHFAPA General meetings
- 2.19 The contractor will provide assistance to state and local foster parent groups that request services to develop cohesive state and local networks. This may include but is not limited to:
  - 2.19.1 Team building
  - 2.19.2 Organizational development
  - 2.19.3 Leadership training
  - 2.19.4 Guidance for formalizing groups
  - 2.19.5 Group work
  - 2.19.6 Facilitate resource parent groups with the DO Resource Worker or CPA Licensing Worker
  - 2.19.7 Assist local support groups to Develop and maintain a peer mentor network that matches experienced resource families with newly licensed families
- 2.20 The contractor will provide evidence based strategies and tools in regards to their work to resource worker , CPA licensing workers and NHFAPA by:
  - 2.20.1 Sharing expertise with the State and when appropriate, directly with the workers
  - 2.20.2 Providing support based on consultation and finding from other Foster and Adoptive Parent Associations (New England and beyond), AdoptUsKids, the Child Welfare League of America, the New England Network for Children, Youth and Family Service and other experts in the field.
- 2.21 The contractor will stay informed of new initiatives with in the state by:
  - 2.21.1 staying in collaboration with DCYF,
  - 2.21.2 Outreach to other agencies and Individual Service Option providers
  - 2.21.3 Outreach through participation with other non-profit organizations with local networks
- 2.22 The contractor will support NHFAPA in its operation and oversight of the First Initial Response Team (FIRST), an immediate and unbiased support for parents involved in special investigation due to allegations made about incidents in their home.
  - 2.22.1 The contractor will provide or assist in funding the dedicated phone line for FIRST calls  
  
The contractor will encourage resource parent to volunteer and be trained as FIRST responders.

### 3. Cultural Considerations

- 3.1 The Department recognizes that culture and language have considerable impact on how individuals access and respond to health and human services. Culturally and linguistically diverse populations experience barriers in efforts to access services.



## Exhibit A

The Department must ensure that a culturally diverse pool of licensed resource homes is available to meet the needs of the children and families served. To ensure equal access, the contractor will provide culturally and linguistically appropriate services according to the following guidelines:

- 3.1.1 Assess the ethnic/cultural needs, resources and assets of the District Office communities and region in the development of the annual R&R Plans
- 3.1.2 Actively recruit resource homes to meet the cultural and ethnic needs of the district office and community;
- 3.1.3 Promote the knowledge and skills necessary for staff to work effectively with resource families with respect to their culturally and linguistically diverse environment; and
- 3.1.4 Provide effective outreach and networking methods to engage and build trust between individuals with respect to their culturally and linguistically diverse home environments, if applicable.

### 4. Staffing Qualifications

The contractor will hire sufficient staff to implement a high quality, comprehensive, recruitment and retention program. At minimum, staffing must support the following functions:

- 4.1 Overall program administration including but not limited to:
  - 4.1.1 Development and implementation of recruitment and retention plans
  - 4.1.2 Continuous quality improvement of the recruitment and retention activities and related activities
  - 4.1.3 Organizing support and technical assistance to foster and adoptive parent groups including NHFAPA
  - 4.1.4 Assistance and support to local district offices in retention and appreciation events
  - 4.1.5 Support the central inquiry system as requested.
- 4.2 Administrative support for this partnership including:
  - 4.2.1 Phone coverage
  - 4.2.2 Recruitment material preparation
  - 4.2.3 Record maintenance data collection
  - 4.2.4 Reporting requirements
- 4.3 The Contractor will adhere to the process for hiring staff and/or recruiting volunteers who represent diversity of the communities served. Sharing of staff with other programs or community-based organizations may occur with prior approval from the Division for Children, Youth and Families (DCYF).
- 4.4 The contractor will hire staff that possess the following qualifications:
  - 4.4.1 An understanding of the principles of family support;



## Exhibit A

- 4.4.2 Experience working with community groups;
- 4.4.3 Empathy for parents and families, and an understanding of family stressors;
- 4.4.4 A working knowledge of the array of services in the community;
- 4.4.5 Experience working directly with families;
- 4.4.6 Experience working in the area of child welfare services;
- 4.4.7 Experience and skills in marketing
- 4.4.8 Good organizational skills;
- 4.4.9 Good problem solving skills;
- 4.4.10 Clear and effective oral and written communication skills;
- 4.4.11 A valid driver's license and reliable automobile transportation;
- 4.4.12 Ability to work hours that are flexible and convenient for families;
- 4.4.13 An understanding of how to access the range of services in the delivery systems.

## 5. Operational Specifications

- 5.1 The contractor shall provide all services, either directly or through use of sub-contractor(s). If sub-contractor(s) is used, the Contractor shall first obtain the Division for Children, Youth and Families written approval by notifying DCYF of the following:
  - 5.1.1 Name of sub-contractor(s)
  - 5.1.2 Include the rationale and appropriateness of the sub-contractor(s) being used,
  - 5.1.3 Indicate the terms of the sub-contractor(s) agreement(s)
- 5.2 The Division will review such use and notify the contractor of its decision regarding the use of a sub-contractor.

## 6. Reports and Monitoring

- 6.1 On a weekly basis, the Contractor will provide in an electronic format acceptable to the Department a report of weekly activities highlighting any upcoming or completed recruitment and retention events to the attention of the Division for Children Youth and Families (DCYF) Foster Care Program Specialist.
- 6.2 On a quarterly basis, the Contractor shall provide the Division for Children Youth and Families (DCYF) Foster Care Program Specialist with a report detailing:
  - 6.2.1 The media advertising that was submitted during the quarter;
  - 6.2.2 The current specific needs of each district office noting progress being made;
  - 6.2.3 The current needs of state wide and local support groups noting progress being made;
  - 6.2.4 The names of conference or training participants and the conferences or training attended;



## Exhibit A

- 6.2.5 Summary of services and activities provided during reporting period;
- 6.2.6 The costs of all activities and a budget update.
- 6.3 The Contractor will complete and submit an end of year report within 60 days of the end of the fiscal year which provides, at minimum:
  - 6.3.1 a complete program overview,
  - 6.3.2 accomplishments towards program goals and performance measures
  - 6.3.3 Barriers and challenges to completing program goals and performance measures
  - 6.3.4 recruitment and retention activities held
  - 6.3.5 attention ,technical assistance and funding given to support groups and NHFAPA
  - 6.3.6 program cost effectiveness.

## 7. Anticipated Outcomes

- 7.1 The Contractor will facilitate recruitment and retention activities, as evidenced by:
  - 7.1.1 The Contractor will achieve, by the end of each contract year, a 20% increase in the number of:
    - 7.1.1.1 New inquiries for foster or adoptive care
    - 7.1.1.2 Newly licensed homes, and
    - 7.1.1.3 retained resource homes within each district office.
    - 7.1.1.4 For purposes of determining compliance with this standard, the number of homes as of January 1st of each contract year shall be used as the base.
  - 7.1.2 The Contractor will report on the attainment of the goals for each district office.
  - 7.1.3 The Contractor will insure that 100% of the Division's district offices were able to access a specified amount of money that supported recruitment and retention activities.
- 7.2 The Contractor will facilitate support and technical assistance to resource and adoptive families, as evidenced by:
  - 7.2.1 The Contractor will insure that 70% of the resource and adoptive families in the state have access to local support groups.
  - 7.2.2 The contractor will, by the end of each contract year, show attendance at local support groups by at least 35% of the open homes in each DO catchment area.

## 8. Confidentiality Provision

- 8.1 The Contractor shall comply with the confidentiality provisions of RSA 170-G: 8-a. All information regarding the Division's clients, client families, foster families, and other involved individuals that the Contractor may learn is strictly confidential and shall not be discussed with anyone except the Division's personnel in the performance of contracted services.



## Exhibit A

- 8.2 The contractor is not authorized to release any information regarding the Division's compliance with federal guidelines without express written authority of the Division Director or his/her designee.

### 9. Ownership and Control Statement

- 9.1 All media regardless of type or medium, databases and information compiled, created, stored, purchased, or otherwise used for Recruitment, Retention, Support and/or Technical Assistance services provided shall be the property of the NH DHHS. The Department shall have the perpetual right to the use of all such databases and/or information without the need to obtain any further permissions or consents from the Contractor, and without the need for any other further payments for the use of same. The Contractor shall not transfer, sell, alienate, license, or otherwise use databases and other information generated from databases in any manner other than in the provision of services herein without the specific written pre-approval of the NH DHHS.
- 9.2 All publicity regarding this contract, including but not limited to brochures, press releases, web pages, audio/visual media presentations, etc. shall contain the following statement: Brought to you by the NH Department of Health and Human Services, Division for Children, Youth and Families and Child and Family Services of NH. A copy of all such announcements, brochures, etc. shall be sent to the designated the Division for Children, Youth and Families (DCYF) staff upon release. If appropriate, written materials shall also be made available in languages other than English.



## Exhibit B

### Method and Conditions Precedent to Payment

1. Subject to the availability of Federal funds, and in consideration for the Contractor's compliance with the terms and conditions of this agreement, and for the services provided by the Contractor pursuant to Exhibit A, Scope of Services; and expenses incurred, the Department shall pay the Contractor an amount listed in Form P-37, Section 1.8, Price Limitation.
  - 1.1. The Contract Price shall be no more than 75% of the total program cost. The Contractor shall provide at least 25% of the total program cost as a match as shown in Exhibits B-1, B-2 and B-3.
2. Payment for said services shall be made monthly, but not less than quarterly:
  - 2.1 Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement. The invoice, provided by the Department, must be completed, signed, and returned to the Department in order to initiate payment. In lieu of hard copies, invoices may be assigned an electronic signature and emailed. Hard copies shall be mailed to:

Fiscal Administrator  
Division for Children, Youth and Families  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301

Email: [dbclark@dhhs.state.nh.us](mailto:dbclark@dhhs.state.nh.us)
  - 2.2 Expenditures shall be in accordance with the approved line item budget shown in Exhibit B-1, B-2 and Exhibit B-3.
  - 2.3 Payments may be withheld pending receipt of required reports, plans, and updates as defined in Exhibit A.
  - 2.4 A final payment request shall be submitted no later than sixty days after the contract ends.
  - 2.5 Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services have not been completed in accordance with the terms and conditions of this Agreement; and
  - 2.6 When the contract price limitation is reached, the program shall continue to operate at full capacity at no charge to the State of New Hampshire for the duration of the contract period.

**New Hampshire Department of Health and Human Services  
Exhibit B-1**

Bidder/Program Name: Child and Family Services of New Hampshire  
Recruitment and Retention of Resource  
Budget Request for: Families

Budget Period: 1/29/2014-6/30/2014

Line Item	Direct Incremental	Indirect Fixed	Total	Match provided by Contractor
1. Total Salary/Wages	\$ 26,691.00	\$ 1,650.00	\$ 28,341.00	\$ 7,870.00
2. Employee Benefits	\$ 5,605.11	\$ 412.50	\$ 6,017.61	\$ 1,652.50
3. Consultants	\$ -	\$ 303.25	\$ 303.25	\$ -
4. Equipment:	\$ -	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ 300.00	\$ 300.00	\$ -
Purchase/Depreciation	\$ -	\$ 230.50	\$ 230.50	\$ -
5. Supplies:	\$ -	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -	\$ -
Office	\$ -	\$ 41.50	\$ 41.50	\$ -
6. Travel	\$ 700.00	\$ 73.50	\$ 773.50	\$ -
7. Occupancy	\$ 1,601.14	\$ 289.25	\$ 1,890.39	\$ -
8. Current Expenses	\$ -	\$ -	\$ -	\$ -
Telephone	\$ 600.00	\$ 118.00	\$ 718.00	\$ -
Postage	\$ -	\$ -	\$ -	\$ -
Subscriptions	\$ -	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ 123.75	\$ 123.75	\$ -
Insurance	\$ -	\$ 53.25	\$ 53.25	\$ -
Board Expenses	\$ -	\$ -	\$ -	\$ -
Software	\$ -	\$ -	\$ -	\$ -
9. Marketing/Communications	\$ 4,562.50	\$ -	\$ 4,562.50	\$ 2,977.50
10. Staff Education and Training	\$ 200.00	\$ -	\$ 200.00	\$ -
11. Subcontracts/Agreements	\$ -	\$ -	\$ -	\$ -
12. Other (specific details mandatory):	\$ 5,500.00	\$ 944.75	\$ 6,444.75	\$ -
Event funds for DO's	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 45,459.75</b>	<b>\$ 4,540.25</b>	<b>\$ 50,000.00</b>	<b>\$ 12,500.00</b>

10.0%

Indirect As A Percent of Direct

Contractor Initials TH  
Date 1/10/14

**New Hampshire Department of Health and Human Services  
Exhibit B-2**

**Bidder/Program Name: Child and Family Services of New Hampshire  
Recruitment and Retention of Resource  
Budget Request for: Families  
Budget Period: 7/1/2014-6/30/2015**

Line Item	Direct Incremental	Indirect Fixed	Total	Match provided by Contractor
1. Total Salary/Wages	\$ 53,382.00	\$ 3,300.00	\$ 56,682.00	\$ 15,740.00
2. Employee Benefits	\$ 11,210.22	\$ 825.00	\$ 12,035.22	\$ 3,305.00
3. Consultants	\$ -	\$ 606.50	\$ 606.50	*
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ 600.00	\$ 600.00	*
Purchase/Depreciation	\$ -	\$ 461.00	\$ 461.00	*
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ -	\$ 83.00	\$ 83.00	*
6. Travel	\$ 1,400.00	\$ 147.00	\$ 1,547.00	*
7. Occupancy	\$ 3,202.28	\$ 578.50	\$ 3,780.78	*
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ 1,200.00	\$ 236.00	\$ 1,436.00	*
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ 247.50	\$ 247.50	*
Insurance	\$ -	\$ 106.50	\$ 106.50	*
Board Expenses	\$ -	\$ -	\$ -	
Software	\$ -	\$ -	\$ -	
9. Marketing/Communications	\$ 9,125.00	\$ -	\$ 9,125.00	\$ 5,955.00
10. Staff Education and Training	\$ 400.00	\$ -	\$ 400.00	
11. Subcontracts/Agreements	\$ -	\$ -	\$ -	
12. Other (specific details mandatory):	\$ 11,000.00	\$ 1,889.50	\$ 12,889.50	*
Event funds for DO's	\$ -	\$ -	\$ -	
<b>TOTAL</b>	<b>\$ 90,919.50</b>	<b>\$ 9,080.50</b>	<b>\$ 100,000.00</b>	<b>\$ 25,000.00</b>

Indirect As A Percent of Direct 10.0%

Contractor Initials BF  
Date 1/10/14

**Bidder/Program Name: Child and Family Services of New Hampshire**  
**Recruitment and Retention of Resource**

**Budget Request for: Families**

**Budget Period: 7/1/2015-12/31/2015**

Line Item	Direct Incremental	Indirect Fixed	Total	Match provided by Contractor
1. Total Salary/Wages	\$ 26,691.00	\$ 1,650.00	\$ 28,341.00	\$ 7,870.00
2. Employee Benefits	\$ 5,605.11	\$ 412.50	\$ 6,017.61	\$ 1,652.50
3. Consultants	\$ -	\$ 303.25	\$ 303.25	\$ -
4. Equipment:	\$ -	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ 300.00	\$ 300.00	\$ -
Purchase/Depreciation	\$ -	\$ 230.50	\$ 230.50	\$ -
5. Supplies:	\$ -	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -	\$ -
Office	\$ -	\$ 41.50	\$ 41.50	\$ -
6. Travel	\$ 700.00	\$ 73.50	\$ 773.50	\$ -
7. Occupancy	\$ 1,601.14	\$ 289.25	\$ 1,890.39	\$ -
8. Current Expenses	\$ -	\$ -	\$ -	\$ -
Telephone	\$ 600.00	\$ 118.00	\$ 718.00	\$ -
Postage	\$ -	\$ -	\$ -	\$ -
Subscriptions	\$ -	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ 123.75	\$ 123.75	\$ -
Insurance	\$ -	\$ 53.25	\$ 53.25	\$ -
Board Expenses	\$ -	\$ -	\$ -	\$ -
Software	\$ -	\$ -	\$ -	\$ -
9. Marketing/Communications	\$ 4,562.50	\$ -	\$ 4,562.50	\$ 2,977.50
10. Staff Education and Training	\$ 200.00	\$ -	\$ 200.00	\$ -
11. Subcontracts/Agreements	\$ -	\$ -	\$ -	\$ -
12. Other (specific details mandatory):	\$ 5,500.00	\$ 944.75	\$ 6,444.75	\$ -
Event funds for DO's	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 45,459.75</b>	<b>\$ 4,540.25</b>	<b>\$ 50,000.00</b>	<b>\$ 12,500.00</b>

10.0%

**Indirect As A Percent of Direct**

Contractor Initials KA  
 Date 7/10/14

**NH Department of Health and Human Services****STANDARD EXHIBIT C****SPECIAL PROVISIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**SPECIAL PROVISIONS – DEFINITIONS**

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

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

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

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

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

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

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

**NH Department of Health and Human Services**

**STANDARD EXHIBIT C-1**

**ADDITIONAL SPECIAL PROVISIONS**

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

- 2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;**

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

3. The Division reserves the right to renew the Agreement for up to two additional years, subject to continued availability of funds, satisfactory performance of services, and approval by the Governor and Executive Council.

**NH Department of Health and Human Services**

**STANDARD EXHIBIT D**

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

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

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

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

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

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

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

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

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

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

464 Chestnut Street, PO Box 448, Manchester, NH 03105

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

CHILD & FAMILY SERVICES, NH From: 1/29/14 To: 12/30/15  
 (Contractor Name) (Period Covered by this Certification)

BOZJA ALVAREZ DE TOLEDO, President & CEO  
 (Name & Title of Authorized Contractor Representative)

  
 (Contractor Representative Signature)

1/10/14  
 (Date)

NH Department of Health and Human Services

STANDARD EXHIBIT E

CERTIFICATION REGARDING LOBBYING

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

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

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

Contract Period: 1/29/14 through 12/31/15

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

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

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

[Signature]  
(Contractor Representative Signature)

SORJA ALVAREZ DE TOLAN, President & CEO  
(Authorized Contractor Representative Name & Title)

CHILD & FAMILY SERVICES of NH  
(Contractor Name)

1/10/14  
(Date)

**NH Department of Health and Human Services**

**STANDARD EXHIBIT F**

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

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

**INSTRUCTIONS FOR CERTIFICATION**

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

Contractor Initials: ZAT

Date: 1/10/14

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

**PRIMARY COVERED TRANSACTIONS**

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

**LOWER TIER COVERED TRANSACTIONS**

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

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

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

[Handwritten Signature]  
(Contractor Representative Signature)

ZORJA ALVAREZ DE TOLEDO, President & CEO  
(Authorized Contractor Representative Name & Title)

CHILD & FAMILY SERVICES of NH  
(Contractor Name)

1/10/14  
(Date)

Contractor Initials: BA

Date: 1/10/14

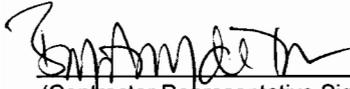
NH Department of Health and Human Services

STANDARD EXHIBIT G

CERTIFICATION REGARDING  
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

  
(Contractor Representative Signature)

ROZJA ALVAREZ DE TOLEDO, President & CEO  
(Authorized Contractor Representative Name & Title)

(CHILD'S FAMILY SERVICES) of NH  
(Contractor Name)

1/10/14  
(Date)

NH Department of Health and Human Services

STANDARD EXHIBIT H

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.

[Handwritten Signature]  
(Contractor Representative Signature)

BOZJA ALVAREZ DE TOLEDO, President & CEO  
(Authorized Contractor Representative Name & Title)

CHILD, FAMILY SERVICES of NH  
(Contractor Name)

1/10/14  
(Date)

## NH Department of Health and Human Services

**STANDARD EXHIBIT I**  
**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

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

**BUSINESS ASSOCIATE AGREEMENT**

**(I) Definitions.**

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- 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.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- 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 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- l. “Required by Law” shall have the same meaning as the term “required by law” in 45 CFR Section 164.501.
- 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, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- 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) 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, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- 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 HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- 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 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. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. 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.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. 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.
- f. 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.
- g. 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.

- h. 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.
- i. 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.
- j. 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.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

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

(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, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- 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 and the HITECH Act.
- 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 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

<u>NH DHHS</u> The State Agency Name	<u>CHILD AND FAMILY SERVICES of NH</u> Name of the Contractor
<u>Mary Ann Cooney</u> Signature of Authorized Representative	<u>[Signature]</u> Signature of Authorized Representative
<u>MARY ANN COONEY</u> Name of Authorized Representative	<u>FORJA ALVAREZ DE TOLEDO</u> Name of Authorized Representative
<u>Associate Commissioner</u> Title of Authorized Representative	<u>PRESIDENT &amp; CEO</u> Title of Authorized Representative
<u>1/13/14</u> Date	<u>1/10/14</u> Date

NH Department of Health and Human Services

STANDARD EXHIBIT J

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.

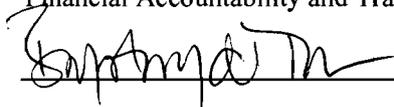
In accordance with 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

- 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:
  - a. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
  - b. 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 Representative Signature)

RIZIA AWARDEZ DE TOLEDAN, President & CEO

(Authorized Contractor Representative Name & Title)

CHILD & FAMILY SERVICES NH

(Contractor Name)

1/10/14

(Date)

Contractor initials: BA  
Date: 1/10/14  
Page # 1 of Page # 7

NH Department of Health and Human Services

STANDARD 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: 95-550-5905

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

NO  YES

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

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

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

NO  YES

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

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

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

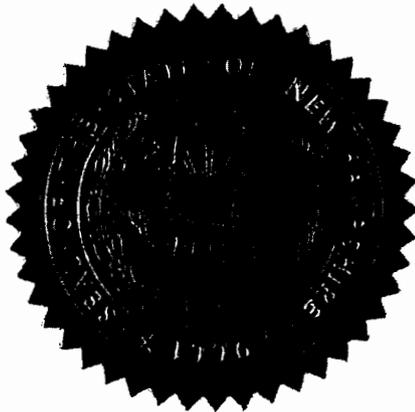
Name: _____	Amount: _____

Contractor initials: BA  
Date: 1/10/14  
Page # 2 of Page # 2

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 CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE is a New Hampshire nonprofit corporation formed September 25, 1914. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 2<sup>nd</sup> day of April A.D. 2013

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

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

I, Marilyn Mahoney, do hereby certify that:  
(Name of the elected Officer of the Agency, cannot be contract signatory)

1. I am a duly elected Officer of Child and Family Services of NH.  
(Agency Name)

2. The following is a true copy of two resolutions duly adopted at a meeting of the Board of Directors of  
the Agency duly held on January 9, 2014 \_\_\_\_\_:  
(Date)

**RESOLVED:** That the President and CEO  
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of  
the 10th day of January, 2014 \_\_\_\_\_.  
(Date Contract Signed)

4. Borja Alvarez de Toledo is the duly elected President and CEO  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

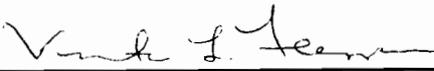
  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 10<sup>th</sup> day of Jan., 2014.

By Marilyn Mahoney.  
(Name of Elected Officer of the Agency)

  
(Notary Public/Justice of the Peace)



Commission Expires: 8-14-18



**CHILD AND FAMILY SERVICES  
OF NEW HAMPSHIRE**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

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HESSION & PARE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

62 Stark Street, Manchester, New Hampshire 03101  
603-669-5477 FAX 603-669-0197

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Child and Family Services of New Hampshire  
Manchester, New Hampshire

### Report on the Financial Statements

We have audited the accompanying consolidated statements of Child and Family Services of New Hampshire (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

The Board of Trustees  
Child and Family Services of New Hampshire

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 Child and Family Services of New Hampshire as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2013, on our consideration of Child and Family Services of New Hampshire's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Child and Family Services of New Hampshire's internal control over financial reporting and compliance.

March 20, 2013

HESSION, PARK, P.C.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Assets		
Cash and cash equivalents	\$ 255,465	\$ 203,538
Cash restricted for payment of long-term debt	30,000	25,000
Accounts receivable, less allowance for doubtful accounts of \$7,505 in 2012 and \$8,205 in 2011	949,727	980,874
Prepaid expenses	82,377	62,226
Deferred expenses	24,843	42,372
Bequest receivable	50,000	-
Beneficial interest in funds held by others	1,736,855	1,646,126
Property, plant and equipment, net	7,316,090	7,602,229
Investments	<u>14,955,171</u>	<u>14,095,239</u>
Total assets	<u>\$ 25,400,528</u>	<u>\$ 24,657,604</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Line of credit	\$ -	\$ 124,535
Accounts payable	130,627	109,592
Accrued vacation	260,070	267,080
Accrued wages and related expenses	261,289	259,032
Annuities payable	1,487	2,612
Mark to market interest rate swap liability	1,558,953	1,660,401
Long-term debt	<u>5,432,682</u>	<u>5,552,679</u>
Total liabilities	<u>7,645,108</u>	<u>7,975,931</u>
Net assets		
Unrestricted	360,326	(16,618)
Designated by Board	12,114,920	11,391,434
Temporarily restricted	2,366,851	2,619,139
Permanently restricted	<u>2,913,323</u>	<u>2,687,718</u>
Total net assets	<u>17,755,420</u>	<u>16,681,673</u>
Total liabilities and net assets	<u>\$ 25,400,528</u>	<u>\$ 24,657,604</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

Year Ended December 31, 2012

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Public support and revenue				
Public support				
Government and other grants and fees	\$ 8,236,067	\$ -	\$ -	\$ 8,236,067
Contributions	267,930	-	159,275	427,205
Foundations and trusts	602,049	-	-	602,049
United Way	304,996	-	-	304,996
Special events (net of direct costs of \$103,656)	198,954	-	-	198,954
Net assets released from restriction for operating activities	276,688	(252,288)	(24,400)	-
Total public support	<u>9,886,684</u>	<u>(252,288)</u>	<u>134,875</u>	<u>9,769,271</u>
Revenue				
Program service fees	1,823,706	-	-	1,823,706
Endowment transfer to support operations	856,719	-	-	856,719
In-kind donations	147,429	-	-	147,429
Rents	15,207	-	-	15,207
Income from HEFA trust	8,410	-	-	8,410
Total other revenue	<u>2,851,471</u>	<u>-</u>	<u>-</u>	<u>2,851,471</u>
Total public support and revenue	<u>12,738,155</u>	<u>(252,288)</u>	<u>134,875</u>	<u>12,620,742</u>
Expenses				
Program services				
Family counseling	1,047,925	-	-	1,047,925
Teen and youth	1,900,608	-	-	1,900,608
Child abuse treatment	1,984,898	-	-	1,984,898
Child abuse prevention and family strengthening	3,270,527	-	-	3,270,527
Early intervention	403,047	-	-	403,047
Homecare	1,736,040	-	-	1,736,040
Residential services	556,649	-	-	556,649
Adoptions and pregnancy counseling	152,139	-	-	152,139
Child advocacy	129,760	-	-	129,760
Summer camp	274,385	-	-	274,385
Total program services	<u>11,455,978</u>	<u>-</u>	<u>-</u>	<u>11,455,978</u>
Supporting services				
Public relations and financial development	452,551	-	-	452,551
Management and general	798,942	-	-	798,942
Total supporting services	<u>1,251,493</u>	<u>-</u>	<u>-</u>	<u>1,251,493</u>
Total expenses	<u>12,707,471</u>	<u>-</u>	<u>-</u>	<u>12,707,471</u>
Increase (decrease) in net assets before non-operating gains and losses	<u>30,684</u>	<u>(252,288)</u>	<u>134,875</u>	<u>(86,729)</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES (concluded)

Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Increase (decrease) in net assets before non-operating gains and losses	\$ 30,684	\$ (252,288)	\$ 134,875	\$ (86,729)
Non-operating gains and losses				
Investment gain reduced by the portion of cumulative net appreciation designated for current operations	968,298	-	-	968,298
Unrealized gain on mark to market interest rate swap	101,448	-	-	101,448
Change in beneficial interest in funds held by others	-	-	90,730	90,730
Increase (decrease) in net assets	1,100,430	(252,288)	225,605	1,073,747
Net assets, beginning of year	11,374,816	2,619,139	2,687,718	16,681,673
Net assets, end of year	<u>\$ 12,475,246</u>	<u>\$ 2,366,851</u>	<u>\$ 2,913,323</u>	<u>\$ 17,755,420</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

Year Ended December 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support and revenue				
Public support				
Government and other grants and fees	\$ 7,986,444	\$ -	\$ -	\$ 7,986,444
Contributions	401,525	-	211,401	612,926
Foundations and trusts	589,090	-	-	589,090
United Way	343,962	-	-	343,962
Special events (net of direct costs of \$101,186)	159,211	-	-	159,211
Net assets released from restriction for operating activities	118,762	(118,762)	-	-
Total public support	<u>9,598,994</u>	<u>(118,762)</u>	<u>211,401</u>	<u>9,691,633</u>
Revenue				
Program service fees	1,673,422	-	-	1,673,422
Endowment transfer to support operations	663,354	-	-	663,354
In-kind donations	221,620	-	-	221,620
Rents	3,626	-	-	3,626
Income from HEFA trust	8,145	-	-	8,145
Total other revenue	<u>2,570,167</u>	<u>-</u>	<u>-</u>	<u>2,570,167</u>
Total public support and revenue	<u>12,169,161</u>	<u>(118,762)</u>	<u>211,401</u>	<u>12,261,800</u>
Expenses				
Program services				
Family counseling	1,117,703	-	-	1,117,703
Teen and youth	2,278,597	-	-	2,278,597
Child abuse treatment	1,644,015	-	-	1,644,015
Child abuse prevention and family strengthening	2,768,202	-	-	2,768,202
Early intervention	408,898	-	-	408,898
Homecare	1,539,865	-	-	1,539,865
Residential services	592,487	-	-	592,487
Adoptions and pregnancy counseling	216,263	-	-	216,263
Child advocacy	211,588	-	-	211,588
Summer camp	227,957	-	-	227,957
Total program services	<u>11,005,575</u>	<u>-</u>	<u>-</u>	<u>11,005,575</u>
Supporting services				
Public relations and financial development	427,405	-	-	427,405
Management and general	785,600	-	-	785,600
Total supporting services	<u>1,213,005</u>	<u>-</u>	<u>-</u>	<u>1,213,005</u>
Total expenses	<u>12,218,580</u>	<u>-</u>	<u>-</u>	<u>12,218,580</u>
Increase (decrease) in net assets before non-operating gains and losses	<u>(49,419)</u>	<u>(118,762)</u>	<u>211,401</u>	<u>43,220</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES (concluded)

Year Ended December 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Increase (decrease) in net assets before non-operating gains and losses	\$ (49,419)	\$ (118,762)	\$ 211,401	\$ 43,220
Non-operating gains and losses				
Investment loss reduced by the portion of cumulative net appreciation designated for current operations	(951,952)	-	-	(951,952)
Unrealized (loss) on mark to market interest rate swap	(748,755)	-	-	(748,755)
Change in beneficial interest in funds held by others	-	-	(130,908)	(130,908)
Increase (decrease) in net assets	(1,750,126)	(118,762)	80,493	(1,788,395)
Net assets, beginning of year	13,124,942	2,737,901	2,607,225	18,470,068
Net assets, end of year	<u>\$ 11,374,816</u>	<u>\$ 2,619,139</u>	<u>\$ 2,687,718</u>	<u>\$ 16,681,673</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENTS OF CASH FLOWS

Year Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Change in net assets	\$ 1,073,747	\$ (1,788,395)
Adjustments to reconcile change to net cash provided (used) by operating activities		
Depreciation	369,616	373,667
Reinvested income	(310,652)	(392,867)
Realized (gain) on sale of investments	(102,398)	(356,631)
Unrealized (gain) loss on investments	(1,463,682)	976,443
Unrealized (gain) loss on mark to market interest rate swap	(101,448)	748,755
Amortization of NHHFA notes payable	18,426	17,382
(Increase) in restricted cash	(5,000)	-
(Increase) decrease in accounts receivable	31,147	(199,831)
(Increase) in prepaid expenses	(20,151)	(41,023)
(Increase) decrease in deferred expenses	17,529	(591)
(Increase) in bequest receivable	(50,000)	-
(Increase) decrease in beneficial interests in trusts	(90,729)	65,434
(Decrease) in deferred contract revenue	-	(74,919)
Increase (decrease) in accounts payable	21,035	(22,578)
Increase (decrease) in accrued vacation and expenses	(4,753)	23,578
	<u>(617,313)</u>	<u>(671,576)</u>
Net cash (used in) operating activities		
Cash flows used in investing activities		
Cash paid for land, buildings and equipment	<u>(83,477)</u>	<u>(75,122)</u>
Cash flows from financing activities		
Contribution restricted to endowment	(159,275)	(210,501)
Proceeds from appropriation of endowment	1,151,675	749,219
Proceeds from release of restricted endowment	24,400	-
Net cash advance (payment) on line of credit	(124,535)	124,535
Cash payments on long-term debt	(138,423)	(88,962)
Cash paid on annuity	(1,125)	(1,125)
	<u>752,717</u>	<u>573,166</u>
Net cash provided by financing activities		
Increase (decrease) increase in cash and cash equivalents	51,927	(173,532)
Cash and cash equivalents, beginning of year	<u>203,538</u>	<u>377,070</u>
Cash and cash equivalents, end of year	<u>\$ 255,465</u>	<u>\$ 203,538</u>
Supplemental disclosure of cash flow information		
Interest paid in cash	<u>\$ 332,900</u>	<u>\$ 337,341</u>
Amortization of 2007 NHHFA note payable	<u>\$ 9,786</u>	<u>\$ 9,232</u>
Amortization of 2005 NHHFA note payable	<u>\$ 8,640</u>	<u>\$ 8,150</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2012

	Family Counseling	Teen and Youth	Child Abuse Treatment	Child Abuse Prevention and Family Strengthening	Early Intervention	Homecare	Residential Services	Adoptions and Pregnancy Counseling	Child Advocacy	Summer Camp	Financial Development	Management and General	Total
Salaries	\$ 635,022	\$ 980,976	\$ 1,018,969	\$ 1,850,539	\$ 223,647	\$ 1,263,462	\$ 324,070	\$ 86,153	\$ 90,880	\$ 90,924	\$ 226,793	\$ 567,760	\$ 7,359,195
Employee benefits	62,019	154,674	109,230	215,323	38,382	55,487	55,452	19,627	8,535	6,471	30,140	64,858	820,198
Payroll related costs	65,661	98,404	106,101	204,609	21,182	142,134	35,232	7,405	7,506	11,192	18,632	45,821	763,879
Assistance to individuals	29,206	177,457	72,615	214,692	11	4,578	18,265	730	2	49,812	95,100	4	662,472
Travel and transportation	24,096	52,934	79,841	388,858	20,320	50,256	10,100	2,666	758	4,451	3,446	186	637,912
Professional fees	81,389	60,976	161,099	24,117	46,216	17,640	19,001	9,972	376	20,588	9,412	29,116	479,902
Occupancy	43,459	82,619	43,816	118,572	10,716	39,261	19,245	4,149	2,496	41,108	8,430	3,778	417,649
Interest	32,624	56,590	111,426	53,916	12,732	56,106	16,575	4,685	4,176	8,299	-	2,264	359,393
Communications	15,213	41,282	30,509	61,441	7,981	17,712	7,302	5,184	2,429	4,463	13,447	1,649	208,612
Rental and equipment maintenance	8,342	19,195	30,641	13,277	2,474	3,117	4,175	2,257	1,180	2,842	357	36,211	124,068
Supplies	3,968	23,377	6,917	17,635	1,275	8,731	8,046	677	390	9,948	3,212	3,977	88,153
Printing and publications	3,745	2,365	8,812	18,551	1,070	5,753	600	2,111	1,522	4,884	34,547	1,233	85,193
Insurance	4,211	11,741	9,200	15,874	2,367	6,979	4,264	790	535	544	1,679	5,442	63,626
Miscellaneous	3,304	8,353	10,688	6,862	1,499	12,628	2,903	251	308	1,377	1,687	2,921	52,781
Conferences and meetings	2,858	9,334	12,963	5,721	672	913	2,105	246	3,280	4,027	2,986	6,835	51,940
Membership dues	332	1,507	2,737	1,865	269	941	1,972	86	1,146	152	1,015	3,431	15,453
Total expenses before depreciation and in-kind donations	1,015,449	1,781,784	1,815,564	3,211,852	390,813	1,685,698	529,307	146,989	125,519	261,082	450,883	775,486	12,190,426
Depreciation	32,476	58,623	103,499	51,970	12,234	50,342	21,530	5,150	4,241	11,377	-	18,174	369,616
In-kind donations	-	60,201	65,835	6,705	-	-	5,812	-	-	1,926	1,668	5,282	147,429
Total functional expenses	\$ 1,047,925	\$ 1,900,608	\$ 1,984,898	\$ 3,270,527	\$ 403,047	\$ 1,736,040	\$ 556,649	\$ 152,139	\$ 129,760	\$ 274,385	\$ 452,551	\$ 798,942	\$ 12,707,471

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2011

	Family Counseling	Teen and Youth	Child Abuse Treatment	Child Abuse Prevention and Family Strengthening	Early Intervention	Homecare	Residential Services	Adoptions and Pregnancy Counseling	Child Advocacy	Summer Camp	Financial Development	Management and General	Total
Salaries	\$ 658,368	\$ 1,212,882	\$ 918,542	\$ 1,453,036	\$ 235,855	\$ 1,131,447	\$ 341,041	\$ 122,574	\$ 119,515	\$ 73,392	\$ 225,230	\$ 544,150	\$ 7,036,082
Employee benefits	71,353	201,785	97,008	180,527	45,324	54,955	51,572	26,090	16,462	4,077	29,095	51,451	829,699
Assistance to individuals	36,252	198,916	77,431	198,213	(5)	11,333	34,632	10,680	(3)	36,982	72,455	-	676,896
Payroll related costs	62,571	112,312	84,241	142,947	20,673	111,478	31,378	10,001	10,248	6,416	18,495	38,514	649,274
Travel and transportation	37,610	59,117	60,798	301,668	21,259	38,296	10,903	3,699	4,773	6,372	2,914	591	548,000
Professional fees	97,102	59,390	76,456	40,191	31,700	19,304	21,431	9,121	26,899	15,237	13,172	36,872	446,845
Occupancy	28,251	80,945	52,194	95,526	9,646	27,681	22,510	5,020	3,327	49,799	7,849	25,537	408,285
Interest	35,501	74,595	95,914	51,737	13,548	50,508	18,107	7,072	7,070	7,062	-	2,193	363,307
Communications	16,346	45,197	28,859	59,657	7,557	16,838	8,008	6,058	3,511	3,867	17,658	2,521	216,087
Rental and equipment maintenance	8,031	17,378	11,256	11,149	3,971	3,054	6,214	2,993	1,137	1,553	-	30,605	97,341
Supplies	6,222	26,186	14,747	14,253	2,018	7,100	8,020	1,076	622	2,509	3,169	6,971	92,893
Printing and publications	10,786	2,288	9,653	4,365	1,266	9,917	2,991	(10)	852	4,542	31,523	1,223	79,396
Conferences and meetings	6,663	13,428	10,227	5,248	673	691	1,634	2,432	1,782	3,367	2,266	12,221	60,572
Insurance	4,565	11,771	6,952	14,575	1,286	4,831	4,434	918	640	376	1,274	4,609	56,231
Miscellaneous	1,448	4,631	6,518	10,690	769	5,105	1,624	1,119	6,684	680	831	2,291	42,390
Membership dues	658	3,474	1,666	3,033	217	931	1,778	160	1,161	277	1,392	5,248	19,995
Total expenses before depreciation and in-kind donations	1,081,727	2,124,295	1,552,432	2,586,815	395,757	1,493,469	566,277	209,003	204,680	216,448	427,393	764,997	11,623,293
Depreciation	35,387	75,066	91,082	50,671	13,141	46,396	21,419	7,260	6,908	10,307	-	16,030	373,667
In-kind donations	589	79,236	501	130,716	-	-	4,791	-	-	1,202	12	4,573	221,620
Total functional expenses	\$ 1,117,703	\$ 2,278,597	\$ 1,644,015	\$ 2,768,202	\$ 408,898	\$ 1,539,865	\$ 592,487	\$ 216,263	\$ 211,588	\$ 227,957	\$ 427,405	\$ 785,600	\$ 12,218,580

See notes to financial statements.

## CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

### NOTES TO FINANCIAL STATEMENTS

#### Note 1. NATURE OF ACTIVITIES

Child and Family Services of New Hampshire (the "Organization") operates as a voluntary, non-sectarian, non-profit organization located throughout the State of New Hampshire providing direct social services for families and children. The Organization's major source of revenue is derived from government and other grant income.

#### Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of presentation**

The accompanying financial statements have been prepared on the accrual basis and in accordance with the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification (ASC) 958-205 and subsections.

This Topic establishes standards for general-purpose external financial statements of not-for-profit organizations, including a statement of financial position, a statement of activities and a statement of cash flows. This Topic further requires classification of net assets and its revenues, expenses, gains and losses into three categories, based on the existence or absence of externally imposed restrictions. The categories, unrestricted, temporarily restricted and permanently restricted net assets are defined as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted – Net assets whose use is limited by law or donor-imposed stipulations that will either expire with the passage of time or be fulfilled by actions of the Organization. It also includes the accumulated appreciation related to permanently restricted endowment gifts, which is a requirement of FASB ASC 958-205-45.

Permanently Restricted – Reflects the historical cost of gifts (and in certain circumstances, the earnings from those gifts), subject to donor-imposed stipulations, which require the corpus to be invested in perpetuity to produce income for general or specific purposes. Permanent restricted net assets also include the fair value of the Organization's beneficial interest in funds held by others.

##### **Principles of consolidation**

The financial statements include accounts of the Organization and Child and Family Realty Corporation, a commonly controlled organization. All inter-organization transactions have been eliminated.

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**

**NOTES TO FINANCIAL STATEMENTS**

**Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Use of estimates**

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

**Income taxes**

The Organization applied for and has been granted recognition of exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986. Section 501(c)(3) of the Code provides for the exemption of organizations that are organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholders or individuals. The Organization had no unrelated business income at December 31, 2012 and 2011. Accordingly, no provision for income taxes has been recorded. The income tax filings for the tax years before 2008 are no longer subject to examination by federal and state taxing authorities.

**Cash and cash equivalents**

For financial statement purposes, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Temporary cash investments held in the investment portfolio are excluded from cash and cash equivalents.

**Cash restricted for payment of long-term debt**

Per the terms of the Series 2007 Bond, which included a refinancing of Series 1999 debt, the Organization deposited \$1,056,089 at December 31, 2008 to an escrow fund in order to pay off the Series 1999 Bonds. This payment took place during January 2009. At December 31, 2012 and 2011, the balance of this escrow fund was \$30,000.

**Bond refinance costs**

The Series 2007 bond was refinanced in 2009. Loan costs of \$39,250 associated with the refinancing are being amortized over the initial five year term of the agreement.

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**

**NOTES TO FINANCIAL STATEMENTS**

**Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Accounts receivable and revenue**

Accounts receivable is recognized when qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget Circular A-133 and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grants or reductions of future grant awards. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

**Allowance for doubtful accounts**

The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Organization's estimate is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that the Organization's estimate of the allowance for doubtful accounts will change. At December 31, 2012 and 2011, accounts receivable are presented net of an allowance for doubtful accounts of \$7,505 and \$8,205, respectively.

**Property, plant and equipment**

Property, plant and equipment are recorded at cost or, in the case of donated assets, at fair market value on the date received. Any such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions over the useful life of the asset. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Major additions and improvements of \$1,000 or more are capitalized, while ordinary maintenance and repairs are charged to expense as incurred. The cost and accumulated depreciation of assets sold or retired are removed from the accounts, and any gains or losses are reflected in the statement of activities.

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Property, plant and equipment (concluded)**

Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	15-50 years
Furniture and equipment	5-10 years
Leasehold improvements	10 years
Vehicles	5 years

**Investments**

The Organization accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments with readily determinable values and all investments in debt securities are stated at their fair values in the statement of financial position. Investments without readily determinable fair values are stated at cost. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Periodically, management reviews investments for which the market value has fallen significantly below cost and recognizes impairment losses where they believe these declines are other-than-temporary.

**Annuities**

Certain gifts require that the Organization pay the donor a predetermined amount during the donor's lifetime. Such gifts are recorded as revenue when received and the present value of the future amount payable is credited to a liability account. Periodically, an adjustment is made to annuities payable to record the actuarial income or expense due to the computation of the liability based upon the revised life expectancies.

**Contributions and grants**

In accordance with the Not-for-Profit Entities Topic of the ASC 958-605 and subsections, contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and/or nature of any donor/grantor restrictions. Contributions and grants restricted for a specific purpose are reported as temporarily restricted support and are then reclassified to unrestricted net assets upon satisfaction of those restrictions. If the restrictions on contributions and grants are satisfied in the same fiscal period in which they are received, then management has elected to classify them as unrestricted for reporting purposes.

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**

**NOTES TO FINANCIAL STATEMENTS**

**Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

**Donated materials and services**

Donated materials and equipment are reflected in the accompanying statements at their estimated fair values at date of receipt. A substantial number of volunteers have donated significant amounts of time to Child and Family Services of New Hampshire program services; however, the value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition.

**Functional allocation of expenses**

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

**Note 3. FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.

Level 2 inputs consist of quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or observable inputs other than quoted market prices.

Level 3 inputs consist of inputs that are unobservable and significant to the fair value measurement and have the lowest priority.

The Organization uses appropriate valuation techniques based on available inputs to measure the fair value of its investments. An asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques must maximize the use of observable inputs and minimize the use of unobservable inputs.

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 4. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following:

	<u>2012</u>	<u>2011</u>
Grants receivable	\$ 697,348	\$ 659,227
Fees for services	<u>259,884</u>	<u>329,852</u>
	957,232	989,079
Less allowance for uncollectible accounts	<u>(7,505)</u>	<u>(8,205)</u>
Total	<u>\$ 949,727</u>	<u>\$ 980,874</u>

**Note 5. BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS**

The Organization is the sole beneficiary of three funds that are established at the New Hampshire Charitable Foundation (NHCF). One of the funds was established in 2005. Income from the funds is to provide assistance to children attending Camp Spaulding and for capital improvements to the camp. The fund resolution provides that distributions from the funds can be made at the discretion of the NHCF Board of Directors; however, the Organization has received distributions from the funds of an amount equal to approximately 5% of the average market value of the fund over the last five years. Excess earnings, if any, are reinvested.

At December 31, 2012 and 2011, the fair market value of the funds, which approximates the present value of future benefits expected to be received, was \$751,523 and \$706,317, respectively. The Organization received \$30,214 and \$32,695 from the funds in 2012 and 2011, respectively.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

**Note 5. BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS (concluded)**

In addition, the Organization has a split-interest in three charitable remainder trusts. The assets are held in trust by banks as permanent trustees of the trusts. The fair value of these beneficial interests is determined by applying the Organization's percentage interest to the fair value of the trust assets as reported by the trustee.

<u>Trust</u>	<u>Percentage Interest</u>	<u>2012</u>	<u>2011</u>
Greenleaf	100%	\$ 382,039	\$ 362,040
Spaulding	100%	329,237	312,453
Cogswell	50%	<u>274,056</u>	<u>265,316</u>
Total		<u>\$ 985,332</u>	<u>\$ 939,809</u>

Income distributed by these trusts was \$43,342 and \$40,002 in 2012 and 2011, respectively.

Beneficial interest in funds held by others is reported at its fair value, which is estimated as the present value of expected future cash inflows on a recurring basis. As discussed in Note 3, the valuation technique used by the Organization is a level 3 measure because there are no observable market transactions.

Changes in fair value of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are comprised of the following:

	<u>Beneficial Interest in Funds Held by Others</u>
Balance at December 31, 2010	\$ 1,711,560
Contribution	65,474
Change in value of beneficial interest	<u>(130,908)</u>
Balance at December 31, 2011	1,646,126
Change in value of beneficial interest	<u>90,729</u>
Balance at December 31, 2012	<u>\$ 1,736,855</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	<u>2012</u>	<u>2011</u>
Land	\$ 1,144,949	\$ 1,144,949
Buildings and improvements	8,540,136	8,504,704
Furniture and equipment	1,864,695	1,855,844
Vehicles	128,606	163,794
Leasehold improvements	66,783	66,783
Software	<u>168,608</u>	<u>147,015</u>
	11,913,777	11,883,089
Less accumulated depreciation	<u>(4,597,687)</u>	<u>(4,280,860)</u>
Property, plant and equipment, net	<u>\$ 7,316,090</u>	<u>\$ 7,602,229</u>

Note 7. INVESTMENTS

Investments consist of the following:

	<u>2012</u>		<u>2011</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Domestic equities	\$ 5,378,589	\$ 6,563,094	\$ 5,410,122	\$ 5,864,679
International equities	3,858,629	3,891,869	3,794,526	3,278,319
Fixed income securities	1,988,704	2,207,774	2,422,615	2,632,737
Inflation hedging	1,768,387	1,883,898	2,221,542	2,038,106
Cash and equivalents	<u>408,536</u>	<u>408,536</u>	<u>281,398</u>	<u>281,398</u>
Total	<u>\$ 13,402,845</u>	<u>\$ 14,955,171</u>	<u>\$ 14,130,203</u>	<u>\$ 14,095,239</u>

Under the terms of a line of credit agreement with a bank, the Organization has agreed not to pledge these assets as security on any other debt.

During 2009, the Organization requested a full redemption of its investment in the limited partnership. The limited partnership acknowledged receipt of the request, but noted that redemptions from the fund were suspended as of the year ended December 31, 2009. During 2010, the limited partnership had formally notified the Organization that all outstanding redemption requests will be honored pro rata based on the redeeming investors' total investment in the Fund relative to the total of all redeeming investors' investment in the Fund. The amount redeemed for the year ended December 31, 2012 and 2011 was \$233,349 and \$689,085, respectively.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 7. INVESTMENTS (continued)

Investment return is summarized as follows:

	<u>2012</u>	<u>2011</u>
Interest and dividend income	\$ 310,652	\$ 392,867
Net realized and unrealized gain (loss)	<u>1,566,080</u>	<u>(619,812)</u>
Total investment gain (loss)	<u>\$ 1,876,732</u>	<u>\$ (226,945)</u>

Expenses relating to investment revenues, including management fees amounted to \$88,028 and \$100,173 for the years ended December 31, 2012 and 2011, respectively, and have been netted against investment revenues in the accompanying statements of activities.

The Organization's policy is to avail itself of a Board approved percentage of investment income for operations with any remaining interest, dividends, or appreciation reinvested. The spending policy approved by the Board of Trustees for 2012 was 6% of the average fair market value of all investments over the previous twelve quarters. The income recognized during the years ended December 31, 2012 and 2011 was \$856,719 and 663,354, respectively. The cash transferred to operations from investments during the years ended December 31, 2012 and 2011 was \$1,125,000 and \$680,000, respectively.

As discussed in Note 3 to these financial statements, the Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Organization's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of December 31, 2012. Level 2 is for investments measured using inputs such as quoted market prices for similar assets. Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 7. INVESTMENTS (concluded)

The following table sets forth by level, within the fair value hierarchy, the valuation techniques used to determine the fair value of the Foundation's marketable securities as follows:

	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
<b>December 31, 2012</b>				
Value on a recurring basis				
Marketable securities				
Domestic equities	\$ 6,563,094	\$ 6,563,094	\$ -	\$ -
International equities	3,891,869	3,891,869	-	-
Fixed income securities	2,207,774	-	2,207,774	-
Inflation hedging	<u>1,883,898</u>	<u>1,883,898</u>	<u>-</u>	<u>-</u>
Total marketable securities	<u>\$ 14,546,635</u>	<u>\$ 12,338,861</u>	<u>\$ 2,207,774</u>	<u>\$ -</u>
<b>December 31, 2011</b>				
Value on a recurring basis				
Marketable securities				
Domestic equities	\$ 5,864,679	\$ 5,864,679	\$ -	\$ -
International equities	3,278,319	3,278,319	-	-
Fixed income securities	2,632,737	-	2,632,737	-
Inflation hedging	<u>2,038,106</u>	<u>1,806,025</u>	<u>-</u>	<u>232,081</u>
Total marketable securities	<u>\$ 13,813,841</u>	<u>\$ 10,949,023</u>	<u>\$ 2,632,737</u>	<u>\$ 232,081</u>

Note 8. LINE OF CREDIT

The Organization has available a \$1,500,000 revolving line of credit agreement with Citizens Bank. The line of credit expires on June 30, 2013, unless extended. The line carries a variable rate of interest at the Wall Street Journal prime rate (3.25% at December 31, 2012), adjusted at each change in the index. At December 31, 2012, there was no balance due on the line of credit.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 9. LONG-TERM DEBT

	<u>2012</u>	<u>2011</u>
Obligation payable, original amount \$5,540,000, in monthly sinking fund installments, through January 1, 2038, plus fixed interest at 3.915% per annum paid to a counterparty to a swap agreement, plus variable rate interest paid to bondholders, minus variable rate interest received from the counterparty to a swap agreement. The debt is secured by the Organization's investments and gross receipts. In July 2009, the Organization converted this obligation to a bank purchase mode. Reference is made to Note 11.	\$ 5,075,000	\$ 5,185,000
Capital lease payable in monthly installments of \$4,036 including interest at 7.35%, through January 2012. The lease was for a phone system.	-	2,993
Capital lease payable in monthly installments of \$1,573 including interest at 2.92%, through October 2014. The lease is for a phone system.	32,169	49,828
Capital lease payable in monthly installments of \$777 through October 2012. The lease is for equipment.	-	7,771
Note payable to the New Hampshire Housing and Finance Authority dated June 7, 2005. The face amount of the note is \$550,000, does not require the payment of interest and is due in 30 years. Accordingly, the note has been recorded at its present value with interest imputed at 6.0%. The note is secured by real estate located in Dover, New Hampshire.	152,628	143,988

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 9. LONG-TERM DEBT (concluded)

Note payable to the New Hampshire Housing and Finance Authority dated May 22, 2007. The face amount of the note is \$700,000, does not require the payment of interest and is due in 30 years. Accordingly, the note has been recorded at its present value with interest imputed at 6.0%. The note is secured by real estate located in Manchester, New Hampshire.

	<u>172,885</u>	<u>163,099</u>
Total	5,432,682	5,552,679
Less current maturities	<u>(133,093)</u>	<u>(138,336)</u>
Long-term debt	<u>\$ 5,299,589</u>	<u>\$ 5,414,343</u>

Future maturities of long-term debt are as follows:

Year ending <u>December 31,</u>	<u>Amount</u>
2013	\$ 133,093
2014	129,162
2015	120,000
2016	130,000
2017	135,000
Thereafter	<u>4,785,427</u>
Total	<u>\$ 5,432,682</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

**Note 10. SERIES 2007 REVENUE BONDS**

During 2007, the New Hampshire Health and Education Facilities Authorities (the "Authority") sold \$5,540,000 of its Revenue Bonds, Child and Family Services Issue, Series 2007, and loaned the proceeds of the bonds to the Organization to refund its Series 1999 Series Bonds and to finance certain improvements to the Organization's facilities. The Series 2007 Bonds were issued with a variable interest rate determined on a weekly basis. Prior to issuing the Bonds, the Organization entered into an interest rate swap agreement (the "Swap Agreement") with Citizens Bank of NH (the "Counterparty") for the life of the bond issue to hedge the interest rate risk associated with the Series 2007 Bonds. The interest rate swap agreement requires the Organization to pay the Counterparty, a fixed rate of 3.915%, in exchange, the Counterparty will pay the Organization a variable rate on the notional amount based on the 67% of one-month LIBOR. Counterparty payments to the Organization were intended to offset Organization payments of variable rate interest to bond holders. Counterparty credit worthiness and market variability can impact the variable rates received and paid by the Organization, with the potential of increasing Organization interest payments. As a result, the cost of the interest rate swap for 2012 and 2011 is added to interest expense in the statement of functional expense. The bonds mature in 2038 and can be repaid at any time.

The Organization is required to include the fair value of the swap in the statement of financial position, and annual changes, if any, in the fair value of the swap in the statement of activities. For example, during the bond's 30-year holding period, the annually calculated value of the swap will be reported as an asset if interest rates increase above those in effect on the date of the swap was entered into (and as an unrealized gain in the statement of activities), which will generally be indicative that the net fixed rate the Organization is paying on the swap is below market expectations of rates during the remaining term of the swap. The swap will be reported as a liability (and as an unrealized loss in the statement of activities) if interest rates decrease below those in effect on the date the swap was entered into which will generally be indicative that the net fixed rate the Organization is paying on the swap is above market expectations of rates during the remaining term of the swap. The annual accounting adjustments of value changes in the swap transaction are non-cash recognition requirements, the net effect of which will be zero at the end of the bond's 30-year term. The Organization recorded the swap liability position of approximately \$1,558,953 and \$1,660,401 at December 31, 2012 and 2011, respectively.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

**Note 10. SERIES 2007 REVENUE BONDS (concluded)**

During 2009, there occurred a downgrading of the credit rating of the Counterparty to the letter of credit reimbursement agreement, which triggered a mandatory tender of the Series 2007 Bonds in whole and a temporary conversion of one hundred percent of the principal amount to a bank purchase mode under the terms of said letter of credit reimbursement agreement. Since it became evident that the credit markets would not soon return to normalcy, the Organization elected to convert the Series 2007 Bonds from a weekly rate mode to a bank purchase mode. This new bank purchase mode created a rate period in which the Series 2007 Bonds bear interest at the tax adjusted bank purchase rate of 68 percent of the sum of the adjusted period LIBOR (30 day) rate and 325 basis points. The bank purchase mode commenced on July 31, 2009 and expires on July 31, 2014; however, the expiration date may be extended by the Counterparty and the Organization has the option to convert back to the weekly rate mode.

The Series 2007 Bond documents require the Organization to comply with certain financial covenants. As of December 31, 2012, the Organization was in compliance with these covenants.

**Note 11. TEMPORARILY RESTRICTED NET ASSETS**

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

	<u>2012</u>	<u>2011</u>
Deferred loan interest	\$ 924,488	\$ 942,912
Camp Spaulding	498,104	547,880
Camp Pavillion	298,676	306,925
Union Street	238,219	245,025
Teen and youth	114,939	226,649
Teen center	101,673	111,507
Child abuse prevention	96,432	106,979
Camp	52,483	42,353
Family counseling	29,455	8,620
Child abuse treatment	6,242	50,000
Homecare	<u>6,140</u>	<u>30,289</u>
Total	<u>\$ 2,366,851</u>	<u>\$ 2,619,139</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 12. PERMANENTLY RESTRICTED NET ASSETS

At December 31, 2012 and 2011, permanently restricted net assets of \$2,913,323 and \$2,687,718, respectively, are restricted to investments in perpetuity and for which income earned is expendable to support operations subject to certain restrictions. At December 31, 2012 and 2011, permanently restricted net assets include \$985,332 and \$939,809, respectively, in investments held in perpetual trusts.

Note 13. LEASES

The Organization leases office and counseling space located in various New Hampshire communities.

Future minimum lease payments due under these leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2013	\$ 96,378
2014	63,383
2015	63,383
2016	63,383
2017	14,383
Thereafter	<u>3,437</u>
Total	<u>\$ 304,347</u>

For the years ended December 31, 2012 and 2011, rent expense in connection with these leases was \$123,117 and \$100,461, respectively. The Organization also leases office and counseling space in New Hampshire on a tenant-at-will basis.

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**

**NOTES TO FINANCIAL STATEMENTS**

**Note 14. ENDOWMENT FUND ASSETS**

The Not-for-Profit Entities Topic of the ASC intends to improve the quality of consistency of financial reporting of endowments held by not-for-profit organizations. This Topic provides guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of the Uniform Prudent Management Institutional Funds Act (UPMIFA). New Hampshire has adopted UPMIFA. The Topic also requires additional financial statement disclosures on endowments and related net assets.

The Organization has adopted an investment and spending policy to ensure a total return (income plus capital change) necessary to preserve and enhance the principal of the fund and at the same time, provide a dependable source of support for current operations and programs. The withdrawal from the fund in support of current operations is expected to remain a constant percentage of the total fund, adjusted for new gifts to the fund.

In recognition of the prudence required of fiduciaries, reasonable diversification is sought where possible. Experience has shown financial markets and inflation rates are cyclical and, therefore, control of volatility will be achieved through diversification of asset classes and selection of investment managers of diverse investment styles. Asset allocation parameters have been developed for various funds within the structure, based on investment objectives, liquidity needs, and time horizon for intended use.

The spending policy is 5% of the average total endowment value over the trailing 12 quarters with a 1% contingency margin. This includes interest and dividends paid out to the Organization.

Measurement of investment performance against policy objectives will be computed on a total return basis, net of management fees and transaction costs. Total return is defined as dividend or interest income plus realized and unrealized capital appreciation or depreciation at fair market value.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 14. ENDOWMENT FUND ASSETS (continued)

December 31, 2012	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investments, beginning of year	\$ 12,984,428	\$ -	\$ 1,110,811	\$ 14,095,239
Investment return				
Investment income	310,652	-	-	310,652
Realized gain	102,398	-	-	102,398
Unrealized gain	<u>1,463,682</u>	<u>-</u>	<u>-</u>	<u>1,463,682</u>
Total investment return	1,876,732	-	-	1,876,732
Contribution	-	-	159,275	159,275
Appropriation of endowment assets:				
Spending rate	(856,719)	-	-	(856,719)
Additional from Board designated funds	<u>(294,956)</u>	<u>-</u>	<u>-</u>	<u>(294,956)</u>
	<u>(1,151,675)</u>	<u>-</u>	<u>-</u>	<u>(1,151,675)</u>
Release of restriction	<u>-</u>	<u>-</u>	<u>(24,400)</u>	<u>(24,400)</u>
Investments, end of year	<u>\$ 13,709,485</u>	<u>\$ -</u>	<u>\$ 1,245,686</u>	<u>\$ 14,955,171</u>

Investment Net Asset Composition by Fund Type:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Undesignated	\$ 1,594,565	\$ -	\$ -	\$ 1,663,784
Board designated	12,114,920	-	-	12,114,920
Donor designated	<u>-</u>	<u>-</u>	<u>1,245,686</u>	<u>1,176,467</u>
Total	<u>\$ 13,709,485</u>	<u>\$ -</u>	<u>\$ 1,245,686</u>	<u>\$ 14,955,171</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 14. ENDOWMENT FUND ASSETS (concluded)

December 31, 2011	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investments, beginning of year	\$ 13,965,237	\$ -	\$ 895,665	\$ 14,860,902
Investment return				
Investment income	392,867	-	-	392,867
Realized gain	356,631	-	-	356,631
Unrealized gain	<u>(976,443)</u>	<u>-</u>	<u>-</u>	<u>(976,443)</u>
Total investment return	(226,945)	-	-	(226,945)
Contribution	-	-	211,401	211,401
Appropriation of endowment assets:				
Spending rate	(663,354)	-	-	(663,354)
Additional from Board designated funds	<u>(86,765)</u>	<u>-</u>	<u>-</u>	<u>(86,765)</u>
	<u>(750,119)</u>	<u>-</u>	<u>-</u>	<u>(750,119)</u>
Transfer of funds	<u>(3,745)</u>	<u>-</u>	<u>3,745</u>	<u>-</u>
Investments, end of year	<u>\$ 12,984,428</u>	<u>\$ -</u>	<u>\$ 1,110,811</u>	<u>\$ 14,095,239</u>

Investment Net Asset Composition by Fund Type:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Undesignated	\$ 1,592,994	\$ -	\$ -	\$ 1,662,213
Board designated	11,391,434	-	-	11,391,434
Donor designated	<u>-</u>	<u>-</u>	<u>1,110,811</u>	<u>1,041,592</u>
Total	<u>\$ 12,984,428</u>	<u>\$ -</u>	<u>\$ 1,110,811</u>	<u>\$ 14,095,239</u>

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**

**NOTES TO FINANCIAL STATEMENTS**

**Note 15. PENSION PLAN**

The Organization sponsored a defined contribution plan that covered all employees at day of hire and was at least twenty-one years of age. A pre-tax voluntary contribution is permitted by employees up to limits imposed by the Internal Revenue Code and other limitations specified in the Plan. There were no contributions made to the plan by the Organization for the years ended December 31, 2012 and 2011.

**Note 16. RECLASSIFICATION**

Certain 2011 amounts have been reclassified to conform to 2012 classification. These reclassifications had no effect on the increase in net assets for 2011.

**Note 17. RISKS AND UNCERTAINTIES**

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of checking and money market accounts in one financial institution. The Federal Deposit Insurance Corporation insures the balances up to \$250,000 at each bank. As of December 31, 2012, the Organization's accounts exceeded federally insured limits by \$72,636.

The majority of the Organization's grants are received from agencies of the state of New Hampshire. As such, the Organization's ability to generate resources via grants is dependent upon the economic health of that area and of the state of New Hampshire. An economic downturn could cause a decrease in grants that coincides with an increase in demand for the Organization's services.

**Note 18. SUBSEQUENT EVENTS**

Child and Family Services of New Hampshire has evaluated subsequent events through March 20, 2013, the date which the financial statements were available to be issued, and have not evaluated subsequent events after that date. No subsequent events were identified that would require disclosure in the financial statements for the year ended December 31, 2012.



**CHILD AND FAMILY SERVICES  
OF NEW HAMPSHIRE**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

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HESSION & PARE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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### INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Child and Family Services of New Hampshire  
Manchester, New Hampshire

We have audited the accompanying consolidated statements of financial position of Child and Family Services of New Hampshire as of December 31, 2009 and 2008, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Child and Family Services of New Hampshire as of December 31, 2009 and 2008, and the changes in its net assets, cash flows, and functional expenses for the years then ended in conformity with accounting principles generally accepted in the United States.

HESSION & PARE, P.C.

March 16, 2010

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2009 and 2008

	ASSETS	
	<u>2009</u>	<u>2008</u>
Assets		
Cash and cash equivalents	\$ 301,716	\$ 711,303
Cash restricted for payment of long-term debt	25,000	1,056,089
Accounts receivable, less allowance for doubtful accounts of \$9,955 in 2009 and \$10,555 in 2008	1,048,075	949,575
Prepaid expenses	67,568	29,725
Deferred expenses	61,076	222,733
Endowment fund receivable	647,594	609,234
Beneficial interest in trusts	966,498	847,106
Property, plant and equipment, net	8,221,019	8,258,477
Investments	13,151,034	11,448,409
Total assets	<u>\$ 24,489,580</u>	<u>\$ 24,132,651</u>
	LIABILITIES AND NET ASSETS	
Liabilities		
Line of credit	\$ -	\$ 293,910
Deferred contract revenue	104,039	74,011
Accounts payable	143,016	244,052
Accrued vacation	289,997	253,933
Accrued wages and related expenses	221,522	452,024
Annuities payable	4,862	5,987
Mark to market interest rate swap liability	705,547	1,579,175
Long-term debt	5,751,130	6,870,705
Total liabilities	<u>7,220,113</u>	<u>9,773,797</u>
Net assets		
Unrestricted	371,391	459,401
Designated by Board	11,603,618	9,229,227
Temporarily restricted	2,788,305	2,489,297
Permanently restricted	2,506,153	2,180,929
Total net assets	<u>17,269,467</u>	<u>14,358,854</u>
Total liabilities and net assets	<u>\$ 24,489,580</u>	<u>\$ 24,132,651</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

Year Ended December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue				
Public support				
Government and other grants and fees	\$ 10,057,016	\$ 13,490	\$ -	\$ 10,070,506
Contributions	332,685	375,653	167,471	875,809
Foundations and trusts	527,638	-	-	527,638
United Way	376,757	-	-	376,757
Special events (net of direct costs of \$143,300)	151,829	-	-	151,829
Net assets released from restriction for operating activities	90,135	(90,135)	-	-
Total public support	<u>11,536,060</u>	<u>299,008</u>	<u>167,471</u>	<u>12,002,539</u>
Revenue				
Program service fees	1,742,394	-	-	1,742,394
Endowment transfer to support operations	758,505	-	-	758,505
Rents	73,679	-	-	73,679
Gain on involuntary conversion	27,066	-	-	27,066
Income from HEFA trust	25,314	-	-	25,314
Total other revenue	<u>2,626,958</u>	<u>-</u>	<u>-</u>	<u>2,626,958</u>
Total public support and revenue	<u>14,163,018</u>	<u>299,008</u>	<u>167,471</u>	<u>14,629,497</u>
Expenses				
Program services				
Family counseling	1,025,796	-	-	1,025,796
Teen and youth	2,328,220	-	-	2,328,220
Child abuse treatment	3,620,406	-	-	3,620,406
Child abuse prevention and family strengthening	2,177,248	-	-	2,177,248
Early intervention	555,772	-	-	555,772
Homecare	1,525,480	-	-	1,525,480
Residential services	692,533	-	-	692,533
Adoptions and pregnancy counseling	423,753	-	-	423,753
Child advocacy	212,410	-	-	212,410
Summer camp	263,408	-	-	263,408
Total program services	<u>12,825,026</u>	<u>-</u>	<u>-</u>	<u>12,825,026</u>
Supporting services				
Public relations and financial development	455,310	-	-	455,310
Management and general	677,253	-	-	677,253
Total supporting services	<u>1,132,563</u>	<u>-</u>	<u>-</u>	<u>1,132,563</u>
Total expenses	<u>13,957,589</u>	<u>-</u>	<u>-</u>	<u>13,957,589</u>
Increase in net assets before non-operating gains and losses	<u>\$ 205,429</u>	<u>\$ 299,008</u>	<u>\$ 167,471</u>	<u>\$ 671,908</u>

See notes to financial statements.

## CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

## STATEMENT OF ACTIVITIES (concluded)

Year Ended December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Increase in net assets before non-operating gains and losses	\$ 205,429	\$ 299,008	\$ 167,471	\$ 671,908
Non-operating gains and losses				
Investment gain reduced by the portion of cumulative net appreciation designated for current operations	1,375,125	-	-	1,375,125
Unrealized gain on mark to market interest rate swap	873,629	-	-	873,629
Loss on bond conversion	(167,802)	-	-	(167,802)
Change in endowment fund receivable	-	-	38,361	38,361
Change in beneficial interest in trusts	-	-	119,392	119,392
Increase in net assets	2,286,381	299,008	325,224	2,910,613
Net assets, beginning of year	9,688,628	2,489,297	2,180,929	14,358,854
Net assets, end of year	<u>\$ 11,975,009</u>	<u>\$ 2,788,305</u>	<u>\$ 2,506,153</u>	<u>\$ 17,269,467</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

Year Ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue				
Public support				
Government and other grants and fees	\$ 10,177,728	\$ -	\$ -	\$ 10,177,728
United Way	362,655	-	-	362,655
Contributions	452,757	372,524	-	825,281
Foundations and trusts	4,856	462,818	-	467,674
Special events (net of direct costs of \$136,893)	154,922	-	-	154,922
Net assets released from restriction for operating activities	377,843	(377,843)	-	-
Total public support	<u>11,530,761</u>	<u>457,499</u>	<u>-</u>	<u>11,988,260</u>
Revenue				
Program service fees	1,380,267	-	-	1,380,267
Rents	114,412	-	-	114,412
Endowment transfer to support operations	924,274	-	-	924,274
Income from HEFA trust	48,015	-	-	48,015
Gain on sale of assets	21,500	-	-	21,500
Gain on involuntary conversion	131,249	-	-	131,249
Total other revenue	<u>2,619,717</u>	<u>-</u>	<u>-</u>	<u>2,619,717</u>
Total public support and revenue	<u>14,150,478</u>	<u>457,499</u>	<u>-</u>	<u>14,607,977</u>
Expenses				
Program services				
Family counseling	951,039	-	-	951,039
Teen and youth	2,092,286	-	-	2,092,286
Child abuse treatment	3,678,963	-	-	3,678,963
Child abuse prevention and family strengthening	2,010,865	-	-	2,010,865
Early intervention	489,188	-	-	489,188
Homecare	1,263,368	-	-	1,263,368
Residential services	688,487	-	-	688,487
Adoptions and pregnancy counseling	492,823	-	-	492,823
Child advocacy	177,351	-	-	177,351
Summer camp	332,827	-	-	332,827
Total program services	<u>12,177,197</u>	<u>-</u>	<u>-</u>	<u>12,177,197</u>
Supporting services				
Public relations and financial development	465,483	-	-	465,483
Management and general	1,451,609	-	-	1,451,609
Total supporting services	<u>1,917,092</u>	<u>-</u>	<u>-</u>	<u>1,917,092</u>
Total expenses	<u>14,094,289</u>	<u>-</u>	<u>-</u>	<u>14,094,289</u>
Increase in net assets before non- operating gains and losses	<u>\$ 56,189</u>	<u>\$ 457,499</u>	<u>\$ -</u>	<u>\$ 513,688</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES (concluded)

Year Ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Increase in net assets before non- operating gains and losses	<u>\$ 56,189</u>	<u>\$ 457,499</u>	<u>\$ -</u>	<u>\$ 513,688</u>
Non-operating gains and losses				
Investment loss increased by the portion of cumulative net appreciation designated for current operations	(6,394,115)	-	-	(6,394,115)
Unrealized loss on mark to market interest rate swap	(1,124,878)	-	-	(1,124,878)
Change in endowment fund receivable	-	-	(230,917)	(230,917)
Change in beneficial interest in trusts	-	-	(271,280)	(271,280)
(Decrease) increase in net assets	(7,462,804)	457,499	(502,197)	(7,507,502)
Net assets, beginning of year	<u>17,151,432</u>	<u>2,031,798</u>	<u>2,683,126</u>	<u>21,866,356</u>
Net assets, end of year	<u>\$ 9,688,628</u>	<u>\$ 2,489,297</u>	<u>\$ 2,180,929</u>	<u>\$ 14,358,854</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENTS OF CASH FLOWS

Year Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Change in net assets	\$ 2,910,613	\$ (7,507,502)
Adjustments to reconcile change to net cash provided (used) by operating activities		
Depreciation	400,884	429,611
Realized loss on sale of investments	700,484	381,682
Unrealized (gain) loss on investments	(2,482,946)	5,282,370
(Gain) on sale of fixed assets	-	(6,500)
Unrealized (gain) loss on mark to market interest rate swap	(873,629)	1,124,878
Discount to present value of NHHFA note payable	-	(94,729)
Amortization of NHHFA notes payable	15,470	14,594
(Increase) decrease in accounts receivable	(98,500)	213,891
(Increase) in prepaid expenses	(37,843)	(2,335)
Decrease in deferred expenses	161,657	29,180
Decrease in cash restricted for payment of long-term debt	1,031,089	83,361
(Increase) decrease in endowment fund receivable	(38,360)	230,917
(Increase) decrease in beneficial interests in trusts	(119,392)	271,280
Increase in deferred contract revenue	30,028	74,011
Increase (decrease) in accounts payable	(101,036)	48,869
Increase (decrease) in accrued vacation and expenses	(194,438)	246,347
	<u>1,304,081</u>	<u>819,925</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Net cash received from (paid to) investments	79,838	577,890
Net cash received from sale of fixed assets	-	6,500
Cash paid for land, buildings and equipment	(363,426)	(1,059,922)
	<u>(283,588)</u>	<u>(475,532)</u>
Net cash (used) by investing activities		
Cash flows from financing activities		
Cash proceeds from issuance of long-term debt	-	116,168
Net cash received (payments) on line of credit	(293,910)	68,093
Cash payments on long-term debt	(1,135,045)	(210,948)
Cash paid on annuity	(1,125)	(1,125)
	<u>(1,430,080)</u>	<u>(27,812)</u>
Net cash (used) by financing activities		
(Decrease) increase in cash and cash equivalents	(409,587)	316,581
Cash and cash equivalents, beginning of year	<u>711,303</u>	<u>394,722</u>
Cash and cash equivalents, end of year	<u>\$ 301,716</u>	<u>\$ 711,303</u>
Supplemental disclosure of cash flow information		
Interest paid in cash	<u>\$ 356,419</u>	<u>\$ 284,457</u>
Amortization of 2007 NHHFA note payable	<u>\$ 8,216</u>	<u>\$ 7,751</u>
Amortization of 2005 NHHFA note payable	<u>\$ 7,254</u>	<u>\$ 6,843</u>
See notes to financial statements.		

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2009

	Family Counseling	Teen and Youth	Child Abuse Treatment	Child Abuse Prevention and Family Strengthening	Early Intervention	Homecare	Residential Services	Adoptions and Pregnancy Counseling	Child Advocacy	Summer Camp	Financial Development	Management and General	Total
Salaries	\$ 577,181	\$ 1,333,967	\$ 2,009,307	\$ 1,212,476	\$ 314,779	\$ 1,094,917	\$ 415,141	\$ 171,184	\$ 1,100,552	\$ 91,031	\$ 229,491	\$ 348,685	\$ 7,928,711
Employee benefits	93,686	230,600	306,079	185,787	58,842	90,315	66,966	30,655	23,244	6,348	31,847	89,370	1,213,739
Assistance to individuals	23,771	151,733	289,827	95,301	-	8,175	36,571	6,037	-	39,216	113,500	-	764,131
Payroll related costs	55,561	125,689	203,836	115,603	28,330	110,107	40,207	15,836	11,742	8,679	18,264	27,311	761,165
Professional fees	110,535	69,650	35,140	173,376	59,184	22,709	16,812	99,467	13,409	23,388	2,088	48,699	674,457
Travel and transportation	27,725	70,082	332,091	106,324	26,675	23,313	10,133	45,434	6,980	6,926	2,488	849	659,020
Interest	25,900	62,231	105,444	57,603	13,105	41,639	16,632	11,082	5,801	6,891	-	40,724	387,052
Occupancy	32,965	77,757	94,510	73,803	13,155	31,231	27,041	6,256	3,346	39,104	7,258	9,227	415,653
Communications	19,422	46,717	70,179	40,583	10,628	21,515	12,267	6,970	3,786	5,502	15,271	8,021	260,861
Rental and equipment maintenance	10,171	19,819	11,604	12,565	7,114	2,736	6,305	5,866	1,197	5,031	-	40,686	123,094
Supplies	4,940	23,420	18,955	9,995	2,862	8,857	9,564	1,891	1,197	9,007	2,540	7,134	99,984
Conferences and meetings	6,912	16,946	8,538	13,981	1,735	674	2,300	5,620	1,470	837	2,086	16,943	78,042
Printing and publications	3,024	6,961	6,136	6,241	1,854	6,652	3,352	4,259	1,887	6,093	25,496	2,835	74,790
Insurance	3,359	13,950	14,610	7,941	2,483	4,557	4,405	1,032	543	3,502	1,535	5,779	63,696
Membership dues	564	3,577	2,496	2,408	423	5,969	759	217	1,228	455	1,645	5,185	24,926
Miscellaneous	623	2,476	3,889	1,663	271	10,314	822	352	119	613	1,801	597	23,540
Employment advertising	160	1,901	274	207	438	151	-	-	-	(515)	-	-	2,616
Bad debts	-	-	950	-	-	528	-	(250)	-	-	-	-	1,228
Total expenses before depreciation	996,499	2,257,476	3,513,865	2,115,857	541,878	1,484,359	669,277	411,908	206,123	252,108	455,310	652,045	13,556,705
Depreciation	29,297	70,744	106,541	61,391	13,894	41,121	23,256	11,845	6,287	11,300	-	25,208	400,884
Total functional expenses	\$ 1,025,796	\$ 2,328,220	\$ 3,620,406	\$ 2,177,248	\$ 555,772	\$ 1,525,480	\$ 692,533	\$ 423,753	\$ 212,410	\$ 263,408	\$ 455,310	\$ 677,253	\$ 13,957,589

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE  
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2008

	Family Counseling	Teen and Youth	Child Abuse Treatment	Child Abuse Prevention and Family Strengthening	Early Intervention	Homecare	Residential Services	Adoptions and Pregnancy Counseling	Child Advocacy	Summer Camp	Financial Development	Management and General	Total
Salaries	\$ 542,466	\$ 1,182,186	\$ 2,059,570	\$ 1,191,226	\$ 307,333	\$ 937,400	\$ 415,351	\$ 204,132	\$ 115,416	\$ 59,275	\$ 216,430	\$ 718,284	\$ 7,949,069
Employee benefits	81,625	182,436	332,515	175,467	36,605	66,228	77,724	34,028	22,167	4,485	27,833	134,123	1,175,236
Professional fees	81,892	75,161	52,321	135,053	33,333	24,330	15,381	129,122	427	35,928	19,479	56,004	658,631
Payroll related costs	47,530	105,029	188,403	106,207	27,681	90,668	36,871	17,181	10,253	5,046	22,056	33,713	690,638
Travel and transportation	24,949	77,169	347,212	119,222	27,544	19,433	13,515	24,068	6,546	9,389	3,996	414	673,457
Assistance to individuals	23,350	127,986	266,882	48,896	31	6,149	36,367	15,234	15	57,085	82,433	28	664,456
Occupancy	46,316	94,450	114,412	58,467	13,104	26,013	28,981	6,206	3,127	52,771	10,941	68,696	523,484
Interest	1,216	3,060	9,790	4,795	706	1,156	851	1,385	17	81	-	339,209	362,266
Communications	24,491	50,700	86,406	40,174	10,313	19,803	12,951	11,595	3,587	5,421	19,355	18,016	302,812
Supplies	10,232	38,506	34,656	15,390	4,016	12,756	12,529	3,570	1,388	5,875	5,149	7,190	151,257
Printing and publications	8,283	11,020	9,217	9,674	2,190	5,845	1,021	5,679	1,794	9,196	51,078	6,867	121,864
Conferences and meetings	10,847	25,952	19,882	11,753	1,304	936	3,165	19,102	2,783	1,238	3,429	24,397	124,788
Rental and equipment maintenance	13,848	32,642	16,816	20,772	3,957	2,967	6,924	3,957	1,978	1,978	-	23,102	128,941
Insurance	3,218	8,948	9,442	5,667	1,813	2,450	3,486	1,198	550	18,286	821	3,100	58,979
Miscellaneous	1,633	4,088	7,074	4,224	1,535	3,446	2,482	3,075	627	991	1,176	872	31,823
Employment advertising	123	5,579	3,177	1,784	2,495	151	385	-	-	2,841	397	2,171	19,103
Membership dues	595	2,719	2,471	1,905	374	730	2,338	214	1,261	426	910	4,023	17,966
Bad debts	1,779	-	3,727	205	-	5,197	-	(1,000)	-	-	-	-	9,908
Total expenses before depreciation	924,393	2,028,231	3,563,973	1,950,881	474,334	1,225,658	670,522	478,746	171,936	270,312	463,483	1,440,209	13,664,678
Depreciation	26,646	64,055	114,990	59,984	14,854	37,710	17,965	14,077	5,415	62,515	-	11,400	429,611
Total functional expenses	\$ 951,039	\$ 2,092,286	\$ 3,678,963	\$ 2,010,865	\$ 489,188	\$ 1,263,368	\$ 688,487	\$ 492,823	\$ 177,351	\$ 332,827	\$ 463,483	\$ 1,451,609	\$ 14,094,289

See notes to financial statements.

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of activities**

Child and Family Services of New Hampshire (the Organization) operates as a voluntary, non-sectarian, non-profit organization located throughout the State of New Hampshire providing direct social services for families and children.

**Principles of consolidation**

The financial statements include the accounts of the Organization and Child & Family Realty Corporation, a commonly controlled organization. All inter-organization transactions have been eliminated.

**Non-profit organization**

The Organization applied for and has been granted recognition of exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986. Section 501(c)(3) of the Code provides for the exemption of organizations that are organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholders or individuals.

**Investments**

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Investments without readily determinable fair values are stated at cost. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Periodically, management reviews investments for which the market value has fallen significantly below cost and recognizes impairment losses where they believe these declines are other-than-temporary.

**Allowance for doubtful accounts**

The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Organization's estimate is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that the Organization's estimate of the allowance for doubtful accounts will change. Accounts receivable are presented net of an allowance for doubtful accounts of \$9,955 and \$10,555 at December 31, 2009 and 2008, respectively.

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Use of estimates**

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

**Cash and cash equivalents**

For financial statement purposes, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents do not include restricted cash.

**Property, plant and equipment**

Property, plant and equipment are recorded at cost or, in the case of donated assets, at fair market value on the date received. Any such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions over the useful life of the asset. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Major additions and improvements are capitalized, while ordinary maintenance and repairs are charged to expense as incurred. The cost and accumulated depreciation of assets sold or retired are removed from the accounts, and any gains or losses are reflected in the statement of activities.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	15-50 years
Furniture and equipment	5-10 years
Leasehold improvements	10 years
Vehicles	5 years

**Vacation pay**

The Organization determines its liability for unpaid vacation pay due employees. The vacation pay provision is included in current liabilities.

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Annuities**

Certain gifts require that the Organization pay the donor a predetermined amount during the donor's lifetime. Such gifts are recorded as revenue when received and the present value of the future amount payable is credited to a liability account. Periodically, an adjustment is made to annuities payable to record the actuarial income or expense due to the computation of the liability based upon the revised life expectancies.

**Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

**Donated materials and services**

Donated materials and equipment are reflected in the accompanying statements at their estimated fair values at date of receipt. A substantial number of volunteers have donated significant amounts of time to Child and Family Services of New Hampshire program services; however, the value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition.

**Functional allocation of expenses**

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

**Basis of presentation**

The accompanying financial statements have been prepared on the accrual basis and as required by the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification (ASC). This Topic establishes standards for general-purpose external financial statements of not-for-profit organizations, including a statement of financial position, a statement of activities and a statement of cash flows. This Topic further requires classification of net assets and its revenues, expenses, gains and losses into three categories, based on the existence or absence of externally imposed restrictions. The categories, unrestricted, temporarily restricted and permanently restricted net assets are defined as follows:

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

**Basis of presentation (concluded)**

Unrestricted – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted – Net assets whose use is limited by law or donor-imposed stipulations that will either expire with the passage of time or be fulfilled or removed by actions of the Organization.

Permanently Restricted – Reflects the historical cost of gifts (and in certain circumstances, the earnings from those gifts), subject to donor-imposed stipulations, which require the corpus to be invested in perpetuity to produce income for general or specific purposes.

Certain amounts in the financial statements for fiscal year ended December 31, 2008, have been reclassified to conform to the 2009 presentation.

**Bond issuance costs**

The Series 2007 bond issuance costs of \$204,911 were incurred to obtain financing for fixed asset additions, renovations, and pay-off of long-term debt, and were being amortized by the straight-line method over the life of the bonds. These costs were charged off in 2009 as the Series 2007 bonds were refinanced. Loan costs of \$39,250 associated with the refinancing are being amortized over the initial five year bank purchase mode.

**Cash restricted for payment of long-term debt**

Per the terms of the Series 2007 Bond, which included a refinancing of Series 1999 debt, the Organization deposited \$1,056,089 at December 31, 2008 to an escrow fund in order to pay off the Series 1999 Bonds. This payment took place during January 2009. The Organization makes monthly payments of principal to an escrow fund, which are applied against principal by the Bond Trustee quarterly. At December 31, 2009, the balance of this escrow fund was \$25,000.

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following:

	<u>2009</u>	<u>2008</u>
Grants receivable	\$ 900,933	\$ 777,706
Fees for services	<u>157,097</u>	<u>182,424</u>
	1,058,030	960,130
Less allowance for uncollectible accounts	<u>(9,955)</u>	<u>(10,555)</u>
Total	<u>\$ 1,048,075</u>	<u>\$ 949,575</u>

**Note 3. INVESTMENTS**

Investments consist of the following:

	<u>2009</u>		<b>Unrealized</b>
	<u>Cost</u>	<u>Market</u>	<u>Loss</u>
Corporate stocks	\$ 3,125,700	\$ 3,598,605	\$ 472,905
Mutual Funds	<u>9,173,392</u>	<u>8,597,978</u>	<u>(575,414)</u>
Investments carried at fair value	<u>12,299,092</u>	<u>12,196,583</u>	<u>(102,509)</u>
Limited partnership interest carried at cost	<u>1,229,190</u>	<u>954,451</u>	<u>(274,739)</u>
Total	<u>\$ 13,528,282</u>	<u>\$ 13,151,034</u>	<u>\$ (377,248)</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 3. INVESTMENTS (continued)

		<u>2008</u>	
	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain</u>
Corporate stocks	\$ 3,831,569	\$ 3,018,784	\$ (812,785)
Mutual Funds	9,141,926	7,094,514	(2,047,412)
Investments carried at fair value	<u>12,973,495</u>	<u>10,113,298</u>	<u>(2,860,197)</u>
Limited partnership interest carried at cost	<u>1,335,111</u>	<u>1,335,111</u>	<u>-</u>
Total	<u>\$ 14,308,606</u>	<u>\$ 11,448,409</u>	<u>\$ (2,860,197)</u>

The following tabulation summarizes the relationship between carrying values and market values of investment assets:

	<u>Cost</u>	<u>Market Value</u>	<u>Amount of Market under Cost</u>
Balance, end of year	<u>\$13,528,282</u>	<u>\$13,151,034</u>	\$ (377,248)
Balance, beginning of year	<u>\$14,308,606</u>	<u>\$11,448,409</u>	<u>(2,860,197)</u>
Total decrease in unrealized depreciation			<u>\$ 2,482,949</u>

Under the terms of a line of credit agreement with a bank, the Organization has agreed to maintain a compensating balance of investments with a fair value of \$1,500,000. Accordingly, at December 31, 2009, \$1,500,000 of the above investments was restricted for that purpose.

Management continually reviews its investment portfolio and evaluates whether declines in the value of securities should be considered other-than-temporary. Factored into this evaluation are the general market conditions, the issuer's financial condition and near-term prospects, conditions in the issuer's industry, recommendation of advisors and length of time and extent to which the market value has been less than cost.

During 2009, the Organization requested a full redemption of its investment in the limited partnership. The limited partnership acknowledged receipt of the request, but noted that redemptions from the fund are currently suspended. The Organization will be informed on the status of the redemption request on a quarterly basis.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 3. INVESTMENTS (concluded)

Investment return is summarized as follows:

	<u>2009</u>	<u>2008</u>
Interest and dividend income	\$ 511,194	\$ 194,211
Net realized (loss)	(700,484)	(381,682)
Other-than-temporary loss	(274,739)	-
Net unrealized gain (loss)	<u>2,757,688</u>	<u>(5,282,370)</u>
Total investment gain (loss)	<u>\$ 2,293,659</u>	<u>\$(5,469,841)</u>

Expenses relating to investment revenues, including management fees amounted to \$84,333 and \$97,885 for the years ended December 31, 2009 and 2008, respectively, and have been netted against investment revenues in the accompanying statements of activities.

The Organization's policy is to avail itself of a Board approved percentage of investment income for operations with any remaining interest, dividends, or appreciation reinvested. The spending policy approved by the Board of Trustees for 2009 was 5% of the average fair market value of all investments over the previous twelve quarters. The amounts were as follows:

	<u>2009</u>	<u>2008</u>
Total return (loss) on investment	\$ 2,293,659	\$(5,469,841)
Used for operations	<u>(758,505)</u>	<u>(924,274)</u>
Net amount	<u>\$ 1,535,154</u>	<u>\$(6,394,115)</u>

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**

**NOTES TO FINANCIAL STATEMENTS**

**Note 4. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consists of the following:

	<u>2009</u>	<u>2008</u>
Land	\$ 1,144,949	\$ 1,144,949
Buildings and improvements	8,428,775	7,962,336
Furniture and equipment	1,795,213	1,780,864
Construction in progress	-	123,462
Vehicles	163,794	163,794
Leasehold improvements	66,783	66,783
Software	<u>136,514</u>	<u>130,414</u>
	11,736,028	11,372,602
Less accumulated depreciation	<u>(3,515,009)</u>	<u>(3,114,125)</u>
Property, plant and equipment, net	<u>\$ 8,221,019</u>	<u>\$ 8,258,477</u>

**Note 5. PENSION PLAN**

The Organization sponsors a defined contribution plan that covers all employees who have completed one year of service and are at least twenty years of age. Contributions to the plan are based on a fixed percentage of the participants' compensation. Pension expense in connection with this plan was \$363,968 and \$346,636 for the years ended December 31, 2009 and 2008, respectively.

**Note 6. LINE OF CREDIT**

The Organization has available a \$1,500,000 revolving line of credit agreement with Citizens Bank. The line of credit expires on July 2010, unless extended. The line carries a variable rate of interest at the Wall Street Journal prime rate (3.25% at December 31, 2009), adjusted at each change in the index. The amount due under the line of credit was \$293,910 for the year ended December 31, 2008. The line of credit was unused at December 31, 2009.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 7. LONG-TERM DEBT

	<u>2009</u>	<u>2008</u>
<p>Obligation payable, original amount \$5,540,000, in monthly sinking fund installments, through January 1, 2038, plus fixed interest at 3.915% per annum paid to a counterparty to a swap agreement, plus variable rate interest paid to bondholders, minus variable rate interest received from the counterparty to a swap agreement. The debt is secured by the Organization's investments and gross receipts. In July 2009, the Organization converted this obligation to a bank purchase mode. Reference is made to Note 11.</p>	\$ 5,385,000	\$ 5,450,000
<p>Obligation payable, original amount \$1,505,000, in monthly sinking fund installments plus interest at 6.125% per annum, through January 1, 2019. The obligations were redeemed subsequent to January 1, 2009, equal to the balance outstanding plus a redemption premium. The obligation was secured by substantially all of the Organization's property.</p>	-	1,030,000
<p>Capital lease payable in monthly installments of \$4,036 including interest at 7.35%, through January 2012. The lease is for a phone system.</p>	92,823	132,869

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 7. LONG-TERM DEBT (concluded)

	<u>2009</u>	<u>2008</u>
<p>Note payable to the New Hampshire Housing and Finance Authority dated June 7, 2005. The face amount of the note is \$550,000, does not require the payment of interest and is due in 30 years. Accordingly, the note has been recorded at its present value with interest imputed at 6.0%. The note is secured by real estate located in Dover, New Hampshire.</p>	128,149	120,895
<p>Note payable to the New Hampshire Housing and Finance Authority dated May 22, 2007. The face amount of the note is \$700,000, does not require the payment of interest and is due in 30 years. Accordingly, the note has been recorded at its present value with interest imputed at 6.0%. The note is secured by real estate located in Manchester, New Hampshire.</p>	<u>145,158</u>	<u>136,941</u>
Total	5,751,130	6,870,705
Less current maturities	<u>(143,007)</u>	<u>(1,159,801)</u>
Long-term debt	<u>\$ 5,608,123</u>	<u>\$ 5,710,904</u>

Future maturities of long-term debt are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2010	\$ 143,007
2011	151,277
2012	113,539
2013	115,000
2014	120,000
Thereafter	<u>5,108,307</u>
Total	<u>\$5,751,130</u>

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 8. LEASES**

The Organization leases office and counseling space located in various New Hampshire communities.

Future minimum lease payments due under these leases are as follows:

<u>Year</u> <u>Ending</u>	<u>Amount</u>
2110	\$108,341
2111	50,922
2112	6,377
2113	4,593
2114	4,593
Thereafter	<u>17,226</u>
Total	<u>\$192,052</u>

Rent expense in connection with these leases was \$102,520 and \$101,472 for the years ended December 31, 2009 and 2008, respectively. The Organization also leases office and counseling space on a tenant-at-will basis in New Hampshire.

**Note 9. NH CHARITABLE FUND INVESTMENT**

The Organization is the sole beneficiary of two funds that are established at the New Hampshire Charitable Foundation (NHCF). One of the funds was established in 2005. Income from the funds is to provide assistance to children attending Camp Spaulding and for capital improvements to the camp. The fund resolution provides that distributions from the funds can be made at the discretion of the NHCF board of directors; however, the Organization has received distributions from the funds of an amount equal to approximately 5% of the average market value of the fund over the last five years. Excess earnings, if any, are reinvested.

The fair market value of the funds, which approximates the present value of future benefits expected to be received, was \$647,594 and \$609,234 at December 31, 2009 and 2008, respectively, and is recorded as endowment income receivable. The organization received \$54,226 and \$28,340 from the funds in 2009 and 2008, respectively.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 10. BENEFICIAL INTEREST IN TRUSTS

The beneficial interest in perpetual and charitable remainder trusts represents the fair value of split-interests in trusts. The assets are held in trust by banks as permanent trustees of the trusts. The fair value of the beneficial interests are determined by applying the Organization's percentage interest to the fair value of the trust assets as reported by the trustee.

<u>Trust</u>	<u>Percentage Interest</u>	<u>2009</u>	<u>2008</u>
Greenleaf	100%	\$ 379,727	\$ 331,958
Spaulding	100%	321,845	281,967
Cogswell	50%	264,926	233,181
		<u>\$ 966,498</u>	<u>\$ 847,106</u>

Income distributed by these trusts was \$45,170 and \$28,659 in 2009 and 2008, respectively.

Note 11. SERIES 2007 REVENUE BONDS

During 2007, the New Hampshire Health and Education Facilities Authorities (the "Authority") sold \$5,540,000 of its Revenue Bonds, Child and Family Services Issue, Series 2007, and loaned the proceeds of the bonds to the Organization to refund its Series 1999 Series Bonds and to finance certain improvements to the Organization's facilities. The Series 2007 Bonds were issued with a variable interest rate determined on a weekly basis. Prior to issuing the Bonds, the Organization entered into an interest rate swap agreement (the "Swap Agreement") with Citizens Bank of NH (the "Counterparty") for the life of the bond issue to hedge the interest rate risk associated with the Series 2007 Bonds. The interest rate swap agreement requires the Organization to pay the Counterparty, a fixed rate of 3.915% in exchange the Counterparty will pay the Organization a variable rate on the notional amount based on the 67% of one-month LIBOR. Counterparty payments to the Organization were intended to offset Organization payments of variable rate interest to bond holders. Counterparty credit worthiness and market variability can impact the variable rates received and paid by the Organization, with the potential of increasing Organization interest payments. As a result, the cost of the interest rate swap for 2009 and 2008 is added to interest expense in the statement of functional expense. The bonds mature in 2038 and can be repaid at any time.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 11. SERIES 2007 REVENUE BONDS (concluded)

The Organization is required to include the fair value of the swap in the statement of financial position, and annual changes, if any, in the fair value of the swap in the statement of activities. For example, during the bond's 30-year holding period, the annually calculated value of the swap will be reported as an asset if interest rates increase above those in effect on the date of the swap was entered into (and as an unrealized gain in the statement of activities), which will generally be indicative that the net fixed rate the Organization is paying on the swap is below market expectations of rates during the remaining term of the swap. The swap will be reported as a liability (and as an unrealized loss in the statement of activities) if interest rates decrease below those in effect on the date the swap was entered into which will generally be indicative that the net fixed rate the Organization is paying on the swap is above market expectations of rates during the remaining term of the swap. The annual accounting adjustments of value changes in the swap transaction are non-cash recognition requirements, the net effect of which will be zero at the end of the bond's 30-year term. The Organization recorded the swap liability position of approximately \$705,547 and \$1,579,175 at December 31, 2009 and 2008, respectively

During 2009, there occurred a downgrading of the credit rating of the Counterparty to the letter of credit reimbursement agreement, which triggered a mandatory tender of the Series 2007 Bonds in whole and a temporary conversion of one hundred percent of the principal amount to a bank purchase mode under the terms of said letter of credit reimbursement agreement. Since it became evident that the credit markets would not soon return to normalcy, the Organization elected to convert the Series 2007 Bonds from a weekly rate mode to a bank purchase mode. This new bank purchase mode created a rate period in which the Series 2007 Bonds bear interest at the tax adjusted bank purchase rate of 68 percent of the sum of the adjusted period LIBOR (30 day) rate and 325 basis points. The bank purchase mode commenced on July 31, 2009 and expires on July 31, 2014; however, the expiration date may be extended by the Counterparty and the Organization and the Organization has the option to convert back to the weekly rate mode.

The Organization recognized a loss of \$167,802 on the conversion, which primarily relates to the write-off of unamortized bond issuance costs.

The Series 2007 Bond documents require the Organization to comply with certain financial covenants. As of December 31, 2009, the Organization was in compliance with these covenants.

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 12. TEMPORARILY RESTRICTED NET ASSETS**

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

	<u>2009</u>	<u>2008</u>
Deferred loan interest	\$ 976,693	\$ 992,164
Camp Spaulding	647,672	697,448
Camp Pavillion	321,708	-
Union Street	258,638	265,444
Homecare	133,658	95,055
Teen center	131,175	137,676
Child abuse prevention	80,299	46,200
Family counseling	65,087	23,544
Teen and youth	50,975	65,945
Group home	36,500	-
Child abuse treatment	32,567	41,703
Camp	27,013	6,100
Early intervention	26,320	-
Advocacy	-	11,162
Capital expenditures	-	102,530
Miscellaneous	-	4,326
	<u>                    </u>	<u>                    </u>
Total	<u>\$2,788,305</u>	<u>\$2,489,297</u>

**Note 13. PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets of \$2,506,153 and \$2,180,929 at December 31, 2009 and 2008, respectively, are restricted to investments in perpetuity and for which income earned is expendable to support operations subject to certain restrictions. Permanently restricted net assets include \$966,498 and \$847,106 in investments held in perpetual trusts at December 31, 2009 and 2008, respectively.



CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 14. FAIR VALUE MEASUREMENTS (concluded)

	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 3)</u>
<b>December 31, 2008</b>			
Valued on a recurring basis:			
Investments			
Equities and mutual funds	\$ 10,113,298	\$ 10,113,298	\$ -
Limited partnership	1,335,111	-	1,335,111
Endowment fund receivable	609,234	-	609,234
Beneficial interest in trusts	847,106	-	847,106
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u>\$ 12,904,749</u>	<u>\$ 10,113,298</u>	<u>\$ 2,791,451</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

Changes in fair value of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are comprised of the following for the year ended December 31, 2009:

Endowment fund receivable:	<u>Endowment fund receivable</u>	<u>Beneficial interest in trusts</u>
Balance at December 31, 2008	\$ 609,234	\$ 847,106
Change in value of beneficial fund receivable	38,360	-
Change in value of endowment interest in trusts	-	119,392
	<u>                    </u>	<u>                    </u>
Balance at December 31, 2009	<u>\$ 647,594</u>	<u>\$ 966,498</u>

**CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE**

**NOTES TO FINANCIAL STATEMENTS**

**Note 15. ENDOWMENT FUND ASSETS**

The Not-for-Profit Entities Topic of the ASC intends to improve the quality of consistency of financial reporting of endowments held by not-for-profit organizations. This Topic provides guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of the Uniform Prudent Management Institutional Funds Act (UPMIFA). New Hampshire has adopted UPMIFA. The Topic also requires additional financial statement disclosures on endowments and related net assets.

The Organization has adopted an investment and spending policy to ensure a total return (income plus capital change) necessary to preserve and enhance the principal of the fund and at the same time, provide a dependable source of support for current operations and programs. The withdrawal from the fund in support of current operations is expected to remain a constant percentage of the total fund, adjusted for new gifts to the fund.

In recognition of the prudence required of fiduciaries, reasonable diversification is sought where possible. Experience has shown financial markets and inflation rates are cyclical and therefore, control of volatility will be achieved through diversification of asset classes and selection of investment managers of diverse investment styles. Asset allocation parameters have been developed for various funds within the structure, based on investment objectives, liquidity needs, and time horizon for intended use.

The spending policy is 5% of the average total endowment value over the trailing 12 quarters with a 1% contingency margin. This includes interest and dividends paid out to the Organization.

Measurement of investment performance against policy objectives will be computed on a total return basis, net of management fees and transaction costs. Total return is defined as dividend or interest income plus realized and unrealized capital appreciation or depreciation at fair market value.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 15. ENDOWMENT FUND ASSETS (concluded)

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Investments, beginning of year	\$10,723,820	\$ -	\$ 724,589	\$ 11,448,409
Investment return (loss):				
Investment income	511,194	-	-	511,194
Realized loss	(700,484)	-	-	(700,484)
Other-than-temporary loss	(274,739)	-	-	(274,739)
Unrealized loss	<u>2,757,688</u>	<u>-</u>	<u>-</u>	<u>2,757,688</u>
Total investment return	2,293,659	-	-	2,293,659
Contributions	-	-	167,471	167,471
Appropriation of endowment assets for operations	<u>(758,505)</u>	<u>-</u>	<u>-</u>	<u>(758,505)</u>
Investments, end of year	<u>\$12,258,974</u>	<u>\$ -</u>	<u>\$ 892,060</u>	<u>\$ 13,151,034</u>

Investment Net Asset Composition by Fund Type

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Undesignated	\$ 655,356	\$ -	\$ -	\$ 655,356
Board designated	11,603,618	-	-	11,603,618
Donor designated	<u>-</u>	<u>-</u>	<u>892,060</u>	<u>892,060</u>
Total	<u>\$12,258,974</u>	<u>\$ -</u>	<u>\$ 892,060</u>	<u>\$ 13,151,034</u>

Note 16. SUBSEQUENT EVENTS

Child and Family Services of New Hampshire has evaluated subsequent events through March 16, 2010, the date which the financial statements were available to be issued, and have not evaluated subsequent events after that date. No subsequent events were identified that would require disclosure in the financial statements for the year ended December 31, 2009.





Child and Family Services

Manchester Office Statewide Headquarters  
464 Chestnut Street, PO Box 448, Manchester, NH 03105  
tel 603-518-4000 fax 603-668-6260  
toll free 800-640-6486 [www.cfsnh.org](http://www.cfsnh.org)

## *Our Mission.....*

*Child and Family Services of New Hampshire is an independent, nonprofit agency dedicated to advancing the well-being of children by providing an array of social services to strengthen family life and by promoting community commitment to the needs of children.*

Child and Family Services  
 464 Chestnut Street, PO Box 448, Manchester NH 03105-0448  
 800-640-6486 / 603-518-4000

**Board of Trustees**

<b>BOARD POSITION</b>	<b>Prefix</b>	<b>FNAME</b>	<b>M</b>	<b>LNAME</b>
Board Governance Committee	Dr.	Suzanne		Boulter
Board Governance Committee		Elaine		Brody
VP of Finance/CFO		Tony		Cheek
Chair, Finance Committee, Treasurer		William	S.	Conrad
Senior VP, COO		Maria		Gagnon
Chair, Board Governance Committee		Gail		Garceau
Chair, Board Development Committee		Lou		Kaucic
Director of Advocacy		Keith		Kuenning
Board Secretary, Chair, Advocacy Committee		Bradford	W.	Kuster
Board Development Committee		Peggy		Lambert
Board Finance Committee		Kirk		Leoni
Board Chair, Executive Committee		Marilyn	T.	Mahoney
Advocacy Committee	Judge	Willard "Bud"		Martin
Board Asst. Secretary/CEO		Michael		Ostrowski
Board Governance Committee		Samantha		Pause
Board Finance Committee		Kenneth	R.	Sheldon
Board 2nd Vice Chair, Executive Committee		Lynne		Stahler
Concord Regional Board, Chair		Gregory	W.	Swope
Board 1st Vice Chair, Executive Committee		Kerry		Uhler
Development Director		Ruth		Zax

## JEANNETTE BIRGE

### SKILLS SUMMARY

Solid history of administrative leadership, management of large and small systems, program design, and collaboration with both public and non-profit agencies. Highly experienced in integrating systems; conceptualizing, planning and implementing new programs; inspiring vision; organizing and administering projects; coaching; problem-solving; leadership development; team-building; public relations; and fundraising.

### PROFESSIONAL EXPERIENCE

#### Director, Upper Valley and Permanency Services, Child and Family Services

October 2004-present. For non-profit children's charitable organization, responsible for the development, administration, and supervision of social service/child welfare programs in the Upper Valley (New Hampshire and Vermont) and statewide in New Hampshire, including permanency services for children and youth, family counseling, home-based counseling, therapeutic foster care, teen prevention services, substance abuse assessment, foster parent recruitment and support. Also responsible for creating partnerships and collaborations with other community and government agencies, grant writing, board management and liaison, community relations.

#### Regional Administrator, Tennessee Department of Children's Services

November 1999-April 2003. Responsible for administration of all departmental field services for Metropolitan Nashville-Davidson County region, including all child and family services, foster care, therapeutic foster care, reunification initiatives, child protective services, pre-adoption, and juvenile justice programs. Also responsible for developing partnerships and serving as the liaison with other agencies such as courts, police, child-caring agencies and non-profits; chairing and serving on various committees and non-profit boards; improving and maintaining public relations for the department. Sought and achieved *Family to Family* pilot status through Annie E. Casey Foundation.

#### Superintendent, John S. Wilder Youth Development Center, an ACA Accredited Residential Treatment Center for Adolescent Males

##### Tennessee Department of Children's Services

January 1997-November 1999. Responsible for the management of an accredited 144-bed, adolescent male residential treatment facility. In addition to managing the facility, placed strong emphasis on catalyzing internal cultural change and developing a high-performance leadership team at both management and staff levels, and on capacity development at all levels. Also served on a department-wide implementation team for identifying needs and developing training and application methods for a new information technology system.

**Treatment Manager, Woodland Hills Youth Development Center**, an ACA Accredited Residential Treatment Center for Adolescent Females and Males

Tennessee Department of Children's Services

1995-1997. Responsible for developing and supervising all aspects of a residential treatment program that included a fully accredited school, a therapeutic counseling program, mental health services, an intake and assessment unit, and population management; supervision of all treatment staff and some security staff; development and implementation of all specialized treatment programs; serving as public information officer. Also responsible for acting as Superintendent in the actual Superintendent's absence.

**Counseling Manager, John S. Wilder Youth Development Center**,

Tennessee Department of Children's Services

1988-1995. Responsible for program design, implementation, and management of a therapeutic mental health residential program for delinquent male youth with mental health needs (DSM diagnosis, behavioral problems, drug addiction, etc.); supervision of all case managers and each individual treatment program for 144 students; supervision of all counseling staff and some security staff; development, implementation, and supervision of all treatment programs.

**Associate Warden, Tennessee Prison for Women**,

Tennessee Department of Correction

1986-1988. Responsible for acting as Warden in the actual Warden's absence; developing and supervising treatment programs including classification, the prison hospital, counseling, chaplaincy, and a fully accredited school in the 300-bed adult female penitentiary.

**Associate Warden/ Counseling Manager, Fort Pillow Prison and Farm**,

Tennessee Department of Correction

1984-1986. Responsible for acting as Warden in the actual Warden's absence; developing and supervising treatment programs in the 850-bed adult male penitentiary; supervising both treatment and security staffs.

**Director of County Programs, Tennessee Department of Correction**

1982-1984. At the Central Office level, responsible for creation of Community Corrections Act to facilitate housing of state felons in county jails and for monitoring treatment and security of those prisoners; assuring that jails met criteria for certification and were properly reimbursed for maintaining state prisoners; acting as departmental liaison to local sheriffs, serving as Public Information Officer for TDOC.

**EDUCATION**

Rhodes College (Southwestern at Memphis): Bachelors Degree, 1972; elected to Who's Who Among Students in American Universities and Colleges

## Michelle A. Galligan

### Education:

2002-2005 New England College, MS Organizational Management/Leadership  
1995-1998 Springfield College, School of Human Services, BS Human Services

### Employment:

2010-Current Foster Care Recruiter/Specialist, Child and Family Services of NH, Concord  
2009-2010 Program Director, Midway Shelter-NFI North, Bradford, NH  
2006-2008 Administrator/Clinical Leader, Family Strategies and Services, Concord, NH  
2002-2004 Residential Supervisor, Easter Seals, Manchester, NH  
2001-2002 Mental Health Counselor, Community Council, Nashua, NH  
2000 (October-December) Direct Care Counselor, Wediko Children's Services, Windsor, NH  
1999-2000 Mental Health Counselor, Crisis Intervention Services May Institute, Hyannis, MA  
1998 (July-November) Mental Health Counselor, Fellowship Health Resources, Falmouth, MA  
1998 (May- July) Counselor/Advocate, Independence House Shelter Program, Hyannis, MA

### Summary of Qualifications:

- Development of a new nonprofit child placing licensing agency for foster care and adoption.
- Marketing and events management related to promotion of agency services and mission to include presentations at state offices and local communities in Southern NH.
- Development of policies and procedures to support operational requirements to include: reporting to Board of Directors and inclusion at meetings. Development and oversight of an advisory board.
- Maintenance of security procedures with individuals at risk and facilities who support these individuals.
- Supervision and clinical support of foster care providers and children.
- Negotiation of contracts and services with state entities and community vendors.
- Hiring, training and supervision of a staff team of twenty-five to include payroll and expense approval.
- Development and implementation of treatment plans for individuals experiencing severe mental crisis.
- Implementation of IEPs and collaboration with school districts.
- Provision of comprehensive clinical therapeutic interventions to individuals experiencing serious emotional and behavioral problems.
- Advocating with an array of associations to support the educational, legal, clinical, medical and social needs of children, adolescents and adults.
- Research and utilization of material to support and promote new industry related projects to enhance mission and future goals related to agency expansion with an emphasis on promotion of quality assurance benchmarks, recruitment and retention strategies, which support agency mission.
- Knowledge of licensing standards and regulations to maintain state compliance for licensure to include participation in RFP proposals and negotiations.
- Financial oversight of the needs of the agency budget and allocation of costs and increase revenue.

### Community Activities:

2008 Elected Chairman of the Town of Weare Ethics Committee  
2004-2008 Londonderry Family Mediation, Londonderry, NH  
1994-1998 Rape and Domestic Violence Crisis Center of Merrimack County

### Training:

Mandt I and II, CPR/First Aid, Family Mediation, TBI, TCI and CPI Training, Rape and Domestic Violence and Court Advocacy

## Child and Family Services

**Position:** Recruitment & Retention Coordinator

**Program:** NH Resource Family Recruitment & Retention Program

**Location:** Concord-based, statewide program

**Supervisor:** Program Director (*Jeannette Birge*)

### **Responsibilities / Summary:**

Coordinates Recruitment & Retention program. Works with Program Director, the NH Division for Children, Youth & Families (DCYF), and other stakeholders to create and implement a plan for recruitment and retention activities for resource family homes. Provides support services and technical assistance for foster and adoptive families, DCYF staff, and others.

### **Functions / Duties:**

- Coordinate recruitment and retention activities and events, attend, and arrange for resource family volunteers to serve at events
- Meet with DCYF resource workers, permanency workers, program specialists to identify specific needs for children and identify additional resources needed
- Meet with recruitment and retention teams including a variety of partners to coordinate activities across the state
- Convene District Office R&R teams and their participants and assist in the creation of annual R&R plans
- Meet and engage in R&R activities with DCYF staff and other partners and volunteers
- Engage resource parent participation on various committees and work groups and to provide input to DCYF foster care policy and programs
- Work with CFS Communications Department to create marketing campaigns
- Participate in conference planning
- Provide support and technical assistance to foster and adoptive parent groups
- Develop and maintain effective and responsive community partnerships that further the mission of the program and the agency
- Provide direct service in times of staff shortage and perform other duties as required
- Other duties as requested

### **Minimum Qualifications:**

- Bachelor's degree in a related field and experience and knowledge of foster care and adoption licensing and other rules, experience working with families, an understanding of child welfare and related issues, experience working with community groups, and good organizational, problem-solving, and communication skills. Flexibility with work hours to meet needs of families.

### **Physical / Mental Requirements:**

- Ability to be creative, follow through with tasks, be self-motivated, travel long distances within NH to attend meetings and events, meet the flexible scheduling of events and meetings, work cooperatively with other organizations and volunteers
- Valid driver's license and auto insurance at or above CFS required limits and acceptable driving record
- Ability to be independently mobile in a variety of home and community based settings

### **Equipment / Tools Utilized:**

- Computer / Printer / Windows / Microsoft Office and Outlook
- Phone / Fax Machine / Copy Machine / Cellular Phone
- Evaluation tools specific to program needs
- Charts and forms specific to operations, compliance, quality assurance, data collection, communication and networking

# Kat Strange

## **Objectives**

To advance the mission of a worthy nonprofit organization through the use of creative and public relations services

## **Education**

### **B.A. English/Communications**

- University of Massachusetts/Mass College of Liberal Arts

## **Experience**

### **Communications Director (present) -- Child and Family Services of NH**

- Direct agency public relations initiatives, provide program promotion support and consultation, stage fund-raising events, produce multi-media communications, manage media affairs

### **Publicity/Marketing Director -- NH Performing Arts Center**

- Create promotional materials and media messages for events, design fund-raising campaigns, serve as cultural liaison with corporate and political communities, stage manage community events, develop community resources and partnerships

### **Community Relations/ Public Affairs Director -- Paugus Television/WGOT/PXT**

- Direct public service airtime, produce public service announcements, manage corporate and community sponsorships, develop on air program promotions, promote local newscasts, stage live broadcasts for political and other types of events.

### **Promotion Copywriter/Specialist -- Twentieth Television/Fox**

- Research markets and write regional promotional copy for new/cutting-edge programs

## **Skills**

- Seasoned in the following computer programs: Adobe InDesign, Photoshop, Illustrator, GoLive; Microsoft Word, Excel, Access, Publisher, PowerPoint. Knowledgeable in social media apps including Facebook, Twitter, You Tube

## Child and Family Services

### Key Personnel

	<b>Name</b>	<b>Title</b>	<b>Annual Salary</b>	<b>% of Time to Work on the Project</b>	<b>\$ Amount to be charged to Project</b>
1	Jeannette Birge	Program Director	\$ 64,251.20	10%	\$ 6,425.12
2	TBA	R&R Coordinator	\$ 35,000.00	100%	\$ 35,000.00
3	Kat Strange	Communications	\$ 62,379.20	10%	\$ 6,237.92
4	Michelle Galligan	R&R Coordinator	\$ 38,126.40	15%	\$ 5,718.96
		<b>Total:</b>	<b>\$ 199,756.80</b>		<b>\$ 53,382.00</b>