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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

Maggie Bishop
Director

April 23, 2013

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

*48% federal
26% general
26% other*

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth and Families to amend an existing agreement with NFI North, Inc., Contoocook, New Hampshire (Vendor #177575 B001), for the provision of a 15-bed co-ed, short-term, staff secure shelter care facility known as Midway Shelter, located in Bradford, NH, by increasing the price limitation by \$1,338,578.00 from \$2,677,156.00 to an amount not to exceed \$4,015,734.00 and extending the completion date from June 30, 2013 to June 30, 2014, effective July 1, 2013 or date of Governor and Executive Council approval, whichever is later. Governor and Executive Council approved the original Agreement on June 22, 2011 (Item #249) and a subsequent amendment on June 26, 2012 (Item #72).

Funds to support this request are anticipated to be available in the following account in SFY 2014 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitations and amend the related terms of the contracts without further approval from Governor and Executive Council.

05-95-42-421010-29580000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD PROTECTION, CHILD - FAMILY SERVICES

State Fiscal Year	Account Number	Job #	Current Budget	Increase/Decrease Amount	Revised Modified Budget
2012	010-040-5855-533-500373	40130411	\$1,338,578	\$0	\$1,338,578
2013	010-040-5855-533-500373	40130411	\$1,338,578	\$0	\$1,338,578
2014	010-042-2958-533-500373	40130411		\$1,338,578	\$1,338,578
		Total	\$2,677,156	\$1,338,578	\$4,015,734

Because the Bridges System is used to process and monitor the payments for this agreement, no purchase order number is assigned. The New Hampshire First System will not be used to encumber these funds.

EXPLANATION

The above action is requested to continue the engagement of NFI North, Inc. to provide shelter care beds to ensure that court-ordered short-term staff secure shelter care services are provided to adolescents. The Division strives to have shelter care beds available statewide. This agreement with NFI North, Inc. helps provide that resource to the Division as part of its service delivery options.

Shelter care service provides short-term residential care for adolescents in crisis who are awaiting further placement, evaluation, completion of a services plan, or court action. The youth are Children in Need of Services, delinquent, abused, or neglected and have been court-ordered to this type of residential placement. Shelter care services are comprised of 24-hour per day residential care, with a staff-to-youth supervision ratio of 1:5 or lower. In this self-contained setting, youth participate in school, individual and group therapy and physical/recreational activities. They also receive some medical care.

Shelter care goals include: providing stability for youth by providing services that emphasize structure, ensures safety, and close supervision and containment; improving the youth's behavior through an effective behavioral management system based on their individual need; and maintaining the youth's connection to their family by facilitating contact between them and introducing concepts that promote healthy relationships.

The youth served are typically in a transitional phase, often being removed from their home for the first time while the Division is in the midst of identifying the youth's individual treatment and/or rehabilitation needs. Many youth, with proper structure and family support, will return to their homes, while others may go onto lengthier residential programs that provide more intensive therapeutic services. These services are sometimes used for youth who were in another residential placement and are transitioning their way back to home – with shelter care being a less intensive placement than their current one, and, therefore, a transitional step to ensure their successful return home. In yet other cases, shelter care may be needed for a youth that is transitioning from one residential placement to another, after treatment has revealed the need for a different therapeutic approach/residential setting, but for whom a bed at the next setting is not yet available.

A site review was done at Midway Shelter on September 2011 and was followed up with a technical assistance review in November, 2012. Each review found that the site has been a reliable provider for the Division over the years and cares for a challenging population. They remain a valuable resource for the Division. While the program did have a corrective action plan for minor documentation oversights, the overall findings showed the program to be meeting the needs of the youth residing at their facilities. During the calendar year 2012, the program served approximately 154 youth.

The costs associated with the Division's shelter care facilities are identified as either residential, educational or a combination thereof. For youth served that are educationally coded, their respective legally liable school district (local education agency) is responsible for payment of the educational

costs. The educational costs for youth that are not educationally coded are the responsibility of the Division. This agreement utilizes a 95% occupancy ratio to achieve the per diem rate.

Both of the original agreement and the subsequent amendment contains the provision to provide these services for one year with a renewal option to extend it for up to five additional years based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Executive Council approval. The Division is now requesting to renew the agreement for one additional year with the ability to renew up to three additional years based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Council approval.

Should Governor and Executive Council determine to not authorize this request youth served by this agreement may need to be placed in existing residential programs throughout the State. Those programs are more costly than shelter care.

On February 14, 2011, a Request for Proposals was issued. The Request for Proposals was published on the Department of Health and Human Services website and the Division announced the release of the in a letter sent to 17 residential facilities statewide. An optional bidders conference held on February 28, 2011 was attended by three agencies. Five proposals were submitted for a 15-bed shelter care facility. Both of NFI North's proposals achieved the highest evaluation scores and were selected as winning bids. They were a Midway Shelter proposal for the provision of a 15-bed boys facility and a North Country Shelter proposal for a 15-bed co-ed facility. In addition, Lutheran Social Services of New England was selected to provide a 15-bed girls shelter at the Antrim Shelter facility.

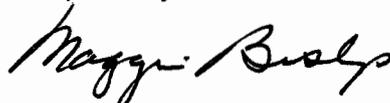
Midway Shelter is the sole remaining dedicated Shelter Care facility. Lutheran Social Services of New England closed the Antrim Shelter facility in December, 2011. NFI North, Inc. has opted not to execute a SFY 2014 contract for the North Country Shelter.

Geographic area served: Statewide.

Source of funds: For educationally coded youth: 48% Federal Funds, 26% General Funds and 26% Other Funds (local education agency). For non-educationally coded youth: 48% Federal Funds and 52% General Funds.

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

Respectfully submitted,



Maggie Bishop
Director

Approved by:



Nicholas A. Toumpas
Commissioner



**State of New Hampshire
Department of Health and Human Services
Amendment #2 to the NFI North Inc.- Midway Shelter Contract**

This 2nd Amendment to the NFI North Inc.- Midway Shelter Contract (hereinafter referred to as "Amendment #2") dated this 17th day of April 2013, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and , Inc. (hereinafter referred to as "the Contractor"), a Nonprofit Corporation with a place of business at PO Box 417, 40 Park Lane, Contoocook, NH 03229

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 22, 2011 (Item #249), and amended by an agreement (Amendment #1 to the Contract) approved on June 26, 2012, (Item #72) the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18, and Exhibit C-1, the State may amend the contract by written agreement of the parties with approval of Governor and Executive Council; and

WHEREAS, the State and the Contractor have agreed to extend the program by one year;

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

To amend as follows:

- Form P-37, Item 1.7, Completion Date, shall be amended to read "6/30/14".
- Form P-37, Item 1.8, Price Limitation, shall be amended to read "\$4,015,734.00".
- Exhibit A, Scope of Services, Contract Period, shall be amended to read: "July 1, 2012 – June 30, 2014"
- Exhibit B, Method, Schedule, and Conditions Precedent to Payment, Program Period, shall be amended to read: "July 1, 2009 – June 30, 2014".
- Exhibit B, Method, Schedule, and Conditions Precedent to Payment, shall be amended to read: "...an amount not to exceed \$4,015,734.00".

Except as specifically amended and modified by the terms and conditions of this Amendment and Amendment #1, the Agreement, and the obligations of the parties there under, shall remain in full force and effect in accordance with the terms and conditions set forth herein.



NH Department of Health and Human Services
NFI North Inc.- Midway Shelter Contract

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

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

5/2/13
Date

State of New Hampshire
Department of Health and Human Services

Nicholas A. Toumpas
Nicholas A. Toumpas
Commissioner

4/19/13
Date

NFI North, Inc.
Paul L. Dann, Ph.D.
NAME Paul L. Dann, Ph.D.
TITLE EXECUTIVE DIRECTOR

Acknowledgement:

State of New Hampshire County of Merrimack on April 19, 2013, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Joanne M. Daufen
Name and Title of Notary or Justice of the Peace
Office Manager





NH Department of Health and Human Services
NFI North Inc.- Midway Shelter Contract

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

OFFICE OF THE ATTORNEY GENERAL

29 April 2013
Date

Jeanne P. Henick
Name: Jeanne P. Henick
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

New Hampshire Department of Health and Human Services

NFI North, Inc.

Bidder/Program Name: Midway Shelter

Budget Request for: 12-DCYFDJJS-SHC-05

(Name of RFP)

Budget Period: FY2014

Line Item	Direct Incremental	Indirect Fixed	Total State Costs	Bidder Match	Total Costs	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 649,804	\$ 90,973	\$ 740,777	\$ 127,077	\$ 867,854	
2. Employee Benefits	\$ 175,447	\$ 24,563	\$ 200,010	\$ 34,311	\$ 234,320	
3. Consultants	\$ 44,152	\$ 6,181	\$ 50,333	\$ 1,710	\$ 52,043	
4. Equipment:		\$ -	\$ -	\$ -	\$ -	
Rental	\$ 3,444	\$ 482	\$ 3,926	\$ 561	\$ 4,487	
Repair and Maintenance	\$ 1,313	\$ 184	\$ 1,496	\$ 214	\$ 1,710	
Purchase/Depreciation	\$ 74,134	\$ 10,379	\$ 84,513	\$ 12,073	\$ 96,586	
5. Supplies:		\$ -	\$ -	\$ -	\$ -	
Educational	\$ 5,063	\$ 709	\$ 5,771	\$ 1,924	\$ 7,695	
Office	\$ 5,000	\$ 700	\$ 5,700	\$ -	\$ 5,700	
6. Travel	\$ 12,765	\$ 1,787	\$ 14,552	\$ 1,522	\$ 16,074	
7. Occupancy	\$ 111,119	\$ 15,557	\$ 126,676	\$ 18,097	\$ 144,773	
8. Current Expenses		\$ -	\$ -	\$ -	\$ -	
Telephone	\$ 7,569	\$ 1,060	\$ 8,628	\$ 1,233	\$ 9,861	
Postage	\$ 600	\$ 84	\$ 684	\$ -	\$ 684	
Subscriptions	\$ 700	\$ 98	\$ 798	\$ -	\$ 798	
Audit and Legal		\$ -	\$ -	\$ -	\$ -	
Insurance	\$ 12,305	\$ 1,723	\$ 14,028	\$ 1,137	\$ 15,165	
Board Expenses		\$ -	\$ -	\$ -	\$ -	
9. Software		\$ -	\$ -	\$ -	\$ -	
10. Marketing/Communications		\$ -	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ 5,995	\$ 839	\$ 6,834	\$ 554	\$ 7,388	
12. Subcontracts/Agreements		\$ -	\$ -	\$ -	\$ -	
13. Other (specific details mandatory)	\$ 64,782	\$ 9,069	\$ 73,851	\$ 6,141	\$ 79,992	
TOTAL	\$ 1,174,191	\$ 164,387	\$ 1,338,578	\$ 206,554	\$ 1,545,132	

Indirect As A Percent of Direct

14%

Contractor Initials: RD

Date: 4/19/13

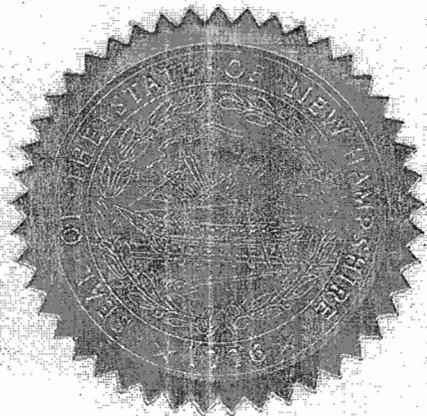
13. Includes:

Food (40,692), Client Expense (26,037),
 Medical Supplies (750), Advertising for Staff (1,500)
 Background Checks (690), License/Permits/Fees (500)

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 NFI NORTH, INC is a New Hampshire nonprofit corporation formed July 6, 1992. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 4th day of 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
(Corporation with Seal)

I, Sue Allen, Secretary of the
(Corporation Representative Name) (Corporation Representative Title)

NFI North, Inc, do hereby certify that:
(Corporation Name)

(1) I am the duly elected and acting Secretary of the
(Corporation Representative Title)
NFI North, a New Hampshire corporation (the "Corporation");
(Corporation Name) (State of Incorporation)

(2) I maintain and have custody of and am familiar with the Seal and minute books of the Corporation;

(3) I am duly authorized to issue certificates;

(4) the following are true, accurate and complete copies of the resolutions adopted by the Board of Directors of the Corporation at a meeting of the said Board of Directors held on the 15th day of April, 2013, which meeting was duly held in accordance with New Hampshire law and the by-laws of the Corporation:
(State of Incorporation)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting by and through the Department of Health and Human Services, providing for the performance by the Corporation of certain Shelter services, and that the Executive Director or Assistant Executive Director, President (or any of them acting singly) be and hereby (is) (are) authorized and directed for and on behalf of this Corporation to enter into the said contract with the State and to take any and all such actions and to execute, seal, acknowledge and deliver for and on behalf of this Corporation any and all documents, agreements and other instruments (and any amendments, revisions or modifications thereto) as (she) (he) (any of them) may deem necessary, desirable or appropriate to accomplish the same;

RESOLVED: That the signature of the Executive or Assistant Executive Director or any officer of this Corporation affixed to any instrument or document described in or contemplated by these resolutions shall be conclusive evidence of the authority of said officer or director to bind this Corporation thereby;

The forgoing resolutions have not been revoked, annulled or amended in any manner whatsoever, and remain in full force and effect as of the date hereof; and the following person(s) (has) (have) been duly elected and now occupy the office(s) indicated below.

Suanne Nader President Name
Paul L. Dann Executive Director
Karen Cusano Assistant Executive Director

IN WITNESS WHEREOF, I have hereunto set my hand as the Secretary
(Title)

of the Corporation and have affixed its corporate seal this 19th day of April, 2013

Sue Allen
(Signature)

(Seal)

STATE OF New Hampshire

COUNTY OF Merrimack

On this the 19th day of April, 2013, before me, Sue Allen, the undersigned officer,
personally appeared Sue Allen, who acknowledge her/himself to be the

Secretary, of NFI North, a corporation, and that she/he, as
(Title) (Name of Corporation)

such Secretary being authorized to do so, executed the foregoing instrument for the
(Title)

purposes therein contained, by signing the name of the corporation by her/himself as

Secretary.

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

Joanne M. Daufen
Notary Public/Justice of the Peace

My Commission expires: August 13, 2013





NFI NORTH, INC.

Financial Statements

June 30, 2012

(With Independent Auditors' Report Thereon)

NFI NORTH, INC.

Financial Statements

June 30, 2012

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KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Independent Auditors' Report

The Board of Directors
NFI North, Inc.:

We have audited the accompanying statement of financial position of NFI North, Inc. (NFIN) as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of NFIN's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NFIN's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NFIN as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2012 on our consideration of NFIN's internal control over financial reporting and 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 the internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

KPMG LLP

September 28, 2012

NFI NORTH, INC.
Statement of Financial Position
June 30, 2012

Assets

Current assets:	
Cash and equivalents	\$ 94,249
Accounts receivable, net (note 2)	1,045,332
Prepaid expenses and other current assets	63,608
Due from affiliate (note 7)	7,153
Total current assets	1,210,342
Property and equipment (note 4):	
Land	535,992
Buildings and improvements	6,706,936
Equipment and furnishings	672,054
Motor vehicles	932,444
	8,847,426
Less accumulated depreciation	(3,556,424)
Property and equipment, net	5,291,002
Due from affiliate (note 7)	53,706
Other assets	653,838
Total assets	\$ 7,208,888

Liabilities and Net Assets

Current liabilities:	
Current portion of long-term debt (note 4)	\$ 222,988
Accounts payable	89,797
Line of credit (note 3)	1,349,275
Accrued payroll and related liabilities	570,141
Other accrued expenses	126,384
Deferred revenue	129,124
Total current liabilities	2,487,709
Long-term liabilities:	
Long-term debt, net of current portion (note 4)	3,339,850
Total liabilities	5,827,559
Net assets:	
Unrestricted	1,348,645
Temporarily restricted	32,684
Total net assets	1,381,329
Total liabilities and net assets	\$ 7,208,888

See accompanying notes to financial statements.

NFI NORTH, INC.
Statement of Activities
Year ended June 30, 2012

Changes in unrestricted net assets:	
Revenues and other support:	
Contracts, net (note 2)	\$ 13,420,859
Contributions:	
In-kind	66,649
Other	17,732
Interest and dividends	22,054
Miscellaneous	3,178
	<u>13,530,472</u>
Net assets released from program restrictions	<u>19,376</u>
Total revenues and other support	<u>13,549,848</u>
Expenses:	
Program services	12,776,869
Supporting services (note 7)	1,237,871
Total expenses	<u>14,014,740</u>
Decrease in unrestricted net assets before nonoperating activities	(464,892)
Nonoperating revenues (expenses):	
Gain on disposal of property and equipment	25,292
Other	(14,471)
Decrease in unrestricted net assets	<u>(454,071)</u>
Changes in temporarily restricted net assets:	
Contributions	8,938
Net assets released from program restrictions	(19,376)
Decrease in temporarily restricted net assets	<u>(10,438)</u>
Decrease in net assets	(464,509)
Net assets at beginning of year	<u>1,845,838</u>
Net assets at end of year	<u>\$ 1,381,329</u>

See accompanying notes to financial statements.

NFI NORTH, INC.

Statement of Functional Expenses

Year ended June 30, 2012

	<u>Program services</u>	<u>Supporting services</u>	<u>Total</u>
Personnel expenses:			
Salaries, payroll taxes and employee benefits	\$ 9,896,034	518,475	10,414,509
Other expenses:			
Contracted services	374,073	501,767	875,840
Other direct costs	537,086	86,430	623,516
Occupancy	509,113	13,487	522,600
Consumables	462,651	—	462,651
Transportation	203,601	34,967	238,568
Interest	188,510	35,348	223,858
Equipment	98,296	26,336	124,632
In-kind contributions	66,649	—	66,649
	<u>2,439,979</u>	<u>698,335</u>	<u>3,138,314</u>
Depreciation and amortization	440,856	21,061	461,917
Total expenses	<u>\$ 12,776,869</u>	<u>1,237,871</u>	<u>14,014,740</u>

See accompanying notes to financial statements.

NFI NORTH, INC.
Statement of Cash Flows
Year ended June 30, 2012

Cash flows from operating activities:	
Decrease in net assets	\$ (464,509)
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Depreciation and amortization	461,917
Gain on sale of property and equipment	(25,292)
Changes in assets and liabilities:	
Accounts receivable, net	(273,514)
Prepaid expenses and other current assets	(6,258)
Other assets	133,226
Accounts payable	32,701
Accrued payroll and related liabilities	121,912
Other accrued expenses	46,399
Deferred revenue	(179,868)
Net cash used in operating activities	<u>(153,286)</u>
Cash flows from investing activities:	
Purchases of property and equipment	(598,015)
Proceeds from sale of property and equipment	25,933
Decrease in due from affiliate	74,607
Net cash used in investing activities	<u>(497,475)</u>
Cash flows from financing activities:	
Issuance of long-term debt	307,026
Repayments of long-term debt	(703,577)
Advances from line of credit	1,374,275
Repayments on line of credit	(325,000)
Net cash provided by financing activities	<u>652,724</u>
Net increase in cash and equivalents	1,963
Cash and equivalents at beginning of year	<u>92,286</u>
Cash and equivalents at end of year	<u>\$ 94,249</u>
Supplemental data:	
Cash paid for interest	\$ 223,858

See accompanying notes to financial statements.

NFI NORTH, INC.

Notes to Financial Statements

June 30, 2012

(1) Summary of Significant Accounting Policies

NFI North, Inc. (NFIN) is a not-for-profit organization whose purpose is to provide community-based social services to individuals and their families. NFIN is a subsidiary of North American Family Institute, Inc. (NAFI), which is the sole member of NFIN's board of directors. Substantially all of NFIN's revenues are derived from services contracted with Medicaid, the State of New Hampshire Division of Children, Youth & Families, and local public school districts.

(a) Basis of Presentation

The accompanying financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on NFIN as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of NFIN and/or the passage of time.

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

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions and/or time restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law. Expirations of temporary restrictions on net assets are reported as reclassifications between the applicable classes of net assets. Expirations of temporary restrictions occur when donor-imposed stipulated purposes have been accomplished and/or the stipulated time period has elapsed. If an expense is incurred for a purpose for which both unrestricted and temporarily restricted net assets are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred unless the expense is for a purpose that is directly attributable to another specified external source of revenue.

(b) Revenue Recognition

Under cost reimbursement contracts, revenues are recognized as expenses are incurred. Under units-of-service contracts, revenues are recognized when services are provided.

(c) Income Taxes

NFIN is an organization described under Section 501(c)(3) of the Internal Revenue Code (IRC) and is generally exempt from income taxes under IRC Section 501(a). NFIN has taken no significant uncertain tax positions.

(d) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual

NFI NORTH, INC.

Notes to Financial Statements

June 30, 2012

results could differ from those estimates. The current economic environment increases the uncertainty of those estimates.

(e) Concentration of Risk

NFIN receives the majority of its funding from state contracts that are renewable annually. Legislative budgets could significantly impact NFIN's ability to start new programs and to continue existing programs.

(f) Cash Equivalents

All short-term investments with an original maturity at purchase of three months or less are considered cash equivalents for purposes of the statement of cash flows.

(g) Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property, at fair value at the date of gift. Depreciation is provided using the straight-line method over the following estimated useful lives:

Buildings and improvements	15 – 33.3 years
Equipment and furnishings	2 – 10 years
Motor vehicles	3 – 5 years

Leasehold improvements are depreciated or amortized according to the organization's normal depreciation policy except that the time period shall be the shorter of: 1) the useful life of the leasehold improvements, or 2) the remaining years of the lease. The remaining years of the lease include the years in the lease renewals that are reasonably assured.

(h) Self-Insurance

NFIN is self-insured for employee medical healthcare costs. At June 30, 2012, the estimated liability for healthcare claims incurred but not yet reported or paid was \$69,807 and is included in accrued payroll and related liabilities in the accompanying statement of financial position.

(i) In-Kind Contributions

In-kind contributions are generally recognized at fair value on the date received. For the year ended June 30, 2012, NFIN received in-kind contributions of rent, services, equipment and furnishings, and consumables amounting to \$66,649.

(j) Subsequent Events

NFIN has evaluated events subsequent to June 30, 2012 and through September 28, 2012, which is the date that the financial statements were available to be issued. NFIN has determined there are no material events that would require recognition or disclosure in this report through this date.

NFI NORTH, INC.

Notes to Financial Statements

June 30, 2012

(2) Accounts Receivable

Accounts receivable of \$1,045,332 is carried net of an allowance for estimated contractual adjustments and doubtful accounts receivable of \$2,266. Contract revenues of \$13,420,859 in 2012 have been increased by contractual adjustments of \$5,687.

(3) Line of Credit

NAFI makes available to its subsidiaries, including NFIN, NAFI Connecticut, Inc. (NAFICT), NFI Vermont, Inc. (NFIV) and NFI Massachusetts, Inc. (NFI), an on-demand \$8,000,000 line of credit from TD Bank. The line of credit bears interest at a fluctuating rate per annum equal to the Wall Street Journal Prime Rate, plus 0.50% per annum, (3.75% at June 30, 2012). Borrowings under the line are jointly guaranteed by NAFI, NFIN, NAFICT, NFIV and NFI and are collateralized by substantially all of their assets.

Borrowings under the line of credit are due upon demand, and the line is subject to annual renewal. At June 30, 2012, \$2,224,275 was outstanding under this line of credit, of which \$1,349,275 was due from NFIN.

In addition, NAFI has entered into Letter of Credit agreements with TD Bank for the year ended June 30, 2012 for a total of \$3,103,392. The Letter of Credit agreements can be utilized by all subsidiaries in the aggregate of \$8,000,000 and are not collateralized with additional cash. The Letter of Credit agreements are a requirement of NAFI's workers' compensation carrier.

(4) Long-Term Debt

Long-term debt at June 30, 2012 consisted of the following:

Interest rate	Fiscal year due	Amount
Mortgages payable, secured by real estate:		
8.00% fixed	2013	\$ 2,324
5.08% fixed	2014	355,428
7.08% variable	2016	498,618
6.43% fixed	2018	530,270
7.00% variable	2026	88,271
0.00%* fixed	2027	160,000
8.00% fixed	2027	50,608
0.00%* fixed	2028	160,000
8.00% fixed	2028	49,996
8.00% fixed	2030	244,419
7.00% fixed	2030	149,272
7.00% fixed	2030	138,939
0.00%* fixed	2030	125,000
0.00%* fixed	2030	116,767

NFI NORTH, INC.

Notes to Financial Statements

June 30, 2012

Interest rate	Fiscal year due	Amount
7.00% fixed	2031	\$ 343,720
4.75% variable	2031	154,014
0.00%* fixed	2031	<u>100,000</u>
Total mortgages payable		<u>3,267,646</u>
Vehicle notes, secured by automobiles:		
3.90% fixed – total of six (6) notes	2013	1,470
0.00% fixed	2015	29,771
0.00% fixed	2015	25,871
0.00% fixed	2015	25,871
0.00% fixed	2015	25,870
0.00% fixed	2015	25,870
0.00% fixed	2015	25,870
1.90% fixed	2015	24,064
1.90% fixed	2017	28,239
1.90% fixed	2017	28,231
1.90% fixed	2017	27,711
1.90%* fixed	2017	<u>26,354</u>
Total vehicle notes payable		<u>295,192</u>
Total long-term debt		3,562,838
Less current portion		<u>(222,988)</u>
Total long term debt, net of current portion		<u>\$ 3,339,850</u>

* Certain mortgages payable to housing authorities provide that a portion of the principal will be forgiven at the end of the loan period if the underlying properties are used to provide housing in accordance with stipulated conditions. In addition, certain mortgages payable contain various prepayment penalties.

On February 14, 2002, NFIN issued New Hampshire Health and Education Facilities Authority Revenue Bonds, Series 2002 in the amount of \$1,088,000 at a fixed rate of 5.91%. On February 29, 2012 NFIN paid off the balance remaining of \$474,274 with line of credit borrowing. Unamortized bond issuance costs of \$14,449 were written off and reported as nonoperating loss in the accompanying statement of activities.

NFIN is required to maintain certain debt service coverage ratios. NFIN was in compliance with all of their debt covenants.

NFI NORTH, INC.

Notes to Financial Statements

June 30, 2012

Scheduled repayments of long-term debt are as follows:

	<u>Amount due</u>
Year ending June 30:	
2013	\$ 222,988
2014	487,103
2015	181,531
2016	128,648
2017	124,014
Thereafter	<u>2,418,554</u>
	<u>\$ 3,562,838</u>

Interest expense was \$223,858 for the year ended June 30, 2012.

(5) Operating Leases

NFIN leases certain property, motor vehicles, and equipment under noncancelable (except under certain circumstances) operating lease arrangements. Rental and lease expense amounted to \$98,632 for the year ended June 30, 2012, including \$60,308 of related party property charges described in note 7. Future minimum lease payments as of June 30, 2012 are as follows:

	<u>Amount due</u>
Year ending June 30:	
2013	\$ 21,948
2014	15,072
2015	9,606
2016	290
	<u>\$ 46,916</u>

(6) Retirement Plan

NFIN has a qualified defined contribution retirement plan for eligible employees to which annual contributions are made at the discretion of NFIN's board of directors. NFIN elected not to make a contribution for the year ended June 30, 2012.

(7) Related-Party Transactions

North American Family Institute, Inc. (NAFI), an affiliate, charges an administrative management fee for supporting service costs that NAFI incurs on behalf of the subsidiaries. These allocated costs amounted to \$608,224 for the year ended June 30, 2012, and have been included in supporting services expenses in the accompanying statements of activities and functional expenses.

NFI NORTH, INC.

Notes to Financial Statements

June 30, 2012

In addition, NFIN pays NAFI a property charge for usage of certain fixed assets of NAFI. This charge was \$60,308 for the year ended June 30, 2012, and has been included in the accompanying statements of activities and functional expenses.

Cost reimbursement overpayments have resulted in a balance due from NAFI as of June 30, 2012 in the amount of \$60,859. This amount has been reported as due from affiliate in the accompanying statement of financial position and the current portion, \$7,153 is expected to be received within one year.

NAFI and affiliated corporations may periodically make short term loans, not to exceed one year, to its affiliated corporations, secured by documentation evidencing such indebtedness. The documentation shall include date and amount of request, interest rate, and other appropriate terms approved by the Executive Director of Administrative Services and the Executive Director of the borrowing affiliated corporation. In fiscal 2012, NFIN paid NAFI Connecticut, Inc. (NAFICT), an affiliate, an interest fee, based on prime rate less 0.50%, for usage of certain cash reserves. The amount of related interest expense recorded in the accompanying statement of activities for the year ended June 30, 2012 was immaterial.



KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

The Board of Directors
NFI North, Inc.:

We have audited the financial statements of NFI North, Inc. (NFIN), as of and for the year ended June 30, 2012, and have issued our report thereon dated September 28, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of NFIN is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered NFIN's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NFIN's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of NFIN's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether NFIN's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies, pass through entities and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

September 28, 2012

NFI NORTH, INC.

OFFICERS

Title	Name	Address
President	Suanne Nader Educator	[REDACTED]
Treasurer	Leslie Grant CPA	[REDACTED]
Clerk/Secretary	Sue Allen Business Women/Consumer	[REDACTED]

BOARD OF DIRECTORS

Name	Occupation	Address
Doug Giles	Retired Fire Fighter/Organic Farmer	[REDACTED]
Leslie Grant	CPA	[REDACTED]
Sue Allen	Business Women/Consumer	[REDACTED]
Suanne Nader	Educator	[REDACTED]
Jan Arsenault	Director of Graduate Program New England College	[REDACTED]
Heidi Edwards Dunn	Educational Program Coordinator NH Small Business Administration	[REDACTED]

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services
Division for Children, Youth and Families

Agency Name: NFI North, Inc

Name of Bureau/Section: Midway Shelter

BUDGET PERIOD:		SFY 2014	
Name & Title Key Administrative Personnel	Annual Salary Of Key Administrative Personnel	Percentage of Salary Paid By Contract	Total Salary Amount Paid By Contract
Paul Dann, Executive Director	\$136,000	0.00%	\$0.00
Karen Cusano, Assistant Executive Director	\$108,200	0.00%	\$0.00
Jill Dagenais, Business Manager	\$67,300	0.00%	\$0.00
Jan Williamson, Regional Director	\$80,000	0.00%	\$0.00
Randa Tenney, Program Director	\$53,560	100.00%	\$53,560.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$53,560.00

Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel **MUST** be listed, even if no salary is paid from the contract. Provide their name, title, annual salary and percentage of annual salary paid from agreement.

AGENCY MISSION EXCERPT FROM ARTICLES OF INCORPORATION

To operate exclusively for charitable and educational purposes including operating group homes or residences or other programs for troubled youth, persons with mental illness or mental retardation.

And in general to do and perform such things and acts and transact such business in connection with the foregoing objectives not inconsistent with RSA Chapter 292 and Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or any successor provision or provisions for either).

FILE



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

Maggie Bishop
Director

May 8, 2012

G&C Approved

Date 6/26/12
Item # 72

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

1. Authorize the Department of Health and Human Services, Division for Children, Youth and Families to amend an existing agreement with NFI North, Inc., Contoocook, New Hampshire (Vendor #177575 B001), for the provision of a 15-bed male short-term staff secure shelter care facility known as Midway Shelter, located in Bradford, NH, by increasing the price limitation by \$1,338,578.00 from \$1,338,578.00 to an amount not to exceed \$2,677,156.00 and extending the completion date to June 30, 2013, effective July 1, 2012 or date of Governor and Executive Council approval, whichever is later. Governor and Executive Council approved the original Agreement on June 22, 2011 (Item #249).

2. Authorize the Department of Health and Human Services, Division for Children, Youth and Families Division for Children, Youth and Families to amend an existing agreement with NFI North, Inc., Contoocook, New Hampshire (Vendor #177575 B001), for the provision of a 15-bed co-ed short-term staff secure shelter care facility known as North Country Shelter, located in Jefferson, NH, by increasing the price limitation by \$1,280,869.00 from \$1,280,869.00 to an amount not to exceed \$2,561,738.00 and extending the completion date to June 30, 2013, effective July 1, 2012 or date of Governor and Executive Council approval, whichever comes later. Governor and Executive Council approved the original Agreement on June 22, 2011 (Item #249).

Funds for both Requested Action 1 and Requested Action 2 are available in the following account in State Fiscal Year 2013:

05-95-40-403010-5855 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, SERV FOR CHILD AND FAMILIES, CHILD - FAMILY SERVICES

MIDWAY SHELTER:

State Fiscal Year	Account Number	Job #	Current Budget	Increase/Decrease Amount	Revised Modified Budget
2012	010-040-5855-533-500373	40130411	\$1,338,578.00	\$0	\$1,338,578.00
2013	010-040-5855-533-500373	40130411	\$0	\$1,338,578.00	\$1,338,578.00
Sub Total			\$1,338,578.00	\$1,338,578.00	\$2,677,156.00

NORTH COUNTRY SHELTER:

State Fiscal Year	Account Number	Job #	Current Budget	Increase/Decrease Amount	Revised Modified Budget
2012	010-040-5855-533-500373	40130411	\$1,280,869.00	\$0	\$1,280,869.00
2013	010-040-5855-533-500373	40130411	\$0	\$1,280,869.00	\$1,280,869.00
Sub Total			\$1,280,869.00	\$1,280,869.00	\$2,561,738.00
TOTAL			\$2,619,447.00	\$2,619,447.00	\$5,238,894.00

Because the Bridges System is used to process and monitor the payments for both of these agreements, no purchase order number is assigned. The New Hampshire First System will not be used to encumber these funds.

EXPLANATION

The above actions are requested to continue the engagement of NFI North, Inc. to provide shelter care beds to ensure that court-ordered short-term staff secure shelter care services are provided to adolescents. The Division strives to have shelter care beds available statewide. This agreement with NFI North, Inc. provides that resource to the Division as part of its service delivery options.

A Description of Shelter Care Services

Shelter care service provides short-term residential care for adolescents in crisis who are awaiting further placement, evaluation, completion of a services plan, or court action. The youth are Children in Need of Services, delinquent, abused, or neglected and have been court-ordered to this type of residential placement. Shelter care services are comprised of 24-hour per day residential care, with a staff-to-youth supervision ratio of 1:5 or lower. In this self-contained setting, youth participate in school, individual and group therapy and physical/recreational activities. They also receive some medical care.

Shelter care goals include: providing stability for youth by providing services that emphasize structure, ensures safety, and close supervision and containment; improving the youth's behavior through an effective behavioral management system based on their individual need; and maintaining the youth's connection to their family by facilitating contact between them and introducing concepts that promote healthy relationships.

The youth served are typically in a transitional phase, often being removed from their home for the first time while the Division are in the midst of identifying the youth's individual treatment and/or rehabilitation needs. Many youth, with proper structure and family support, will return to their homes, while others may go onto lengthier residential programs that provide more intensive therapeutic services. In addition, these services are sometimes used for youth who were in another residential placement and are transitioning their way back to home – with shelter care being a less intensive placement than their current one, and therefore, a transitional step to ensure their successful return home. In yet other cases, shelter care may be needed for a youth that is transitioning from one residential placement to another, after treatment has revealed the need for a different therapeutic approach/residential setting, but for whom a bed at the next setting is not yet available.

Agreement Terms

Other than the renewal of these agreements for an additional year and level funded increases in the price limitations all other terms and conditions remain unchanged from the original agreements approved by Governor and Executive Council on June 22, 2011 (Item #249). Site reviews were done independently for each site, Midway - September 2011 and North Country - October 2011. Each review found that the sites have been reliable providers for the Division over the years and care for a challenging population. They are to be commended for their work with New Hampshire's youth and their families. They remain a valuable resource for the Division. While each program did have a corrective action plan for minor documentation oversights, the overall findings showed their program's to be meeting the needs of the youth residing at their facilities. During State Fiscal Year 2011, the agency served approximately 193 youth at the Midway Shelter and approximately 183 youth at the North Country Shelter.

The costs associated with the Division's shelter care facilities are identified as either residential, educational or a combination thereof. For youth served that are educationally coded, their respective legally liable school district (local education agency) is responsible for payment of the educational costs. The educational costs for youth that are not educationally coded are the responsibility of the Division. These agreements utilize a 95% occupancy ratio to achieve the per diem rate.

Both of the original agreements and the approved Governor and Executive Council letter contained the provision of these services for one year and a renewal option to extend them for up to five additional years based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Executive Council approval. The Division is now requesting to renew the agreements for one additional year with the ability to renew them up to four additional years based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Council approval. By renewing these agreements the Division is complying with HB 2; 357, which states, "357 Shelter Care Services. For the biennium ending June 30, 2013, the department of health and human services shall continue to fund the following shelter care services: 12 beds for boys at the Midway Shelter in Bradford, 13 beds for girls at the Antrim Girls Shelter in Antrim, and 12 beds at the co-educational North Country Shelter in Jefferson." The Antrim Girls Shelter has closed. The closing of this facility has not impacted the Division's ability to place youth in the most appropriate setting. Each placement is handled on a case-by-case basis to determine the most suitable placement location.

Should Governor and Executive Council determine to not authorize these requests youth served by these agreements may need to be placed in existing residential programs throughout the State. Those programs are more restrictive than is necessary for these youth and will not meet their needs as well as placement in secure shelter care facilities. It should be noted that placement in residential programs are more costly. Additionally should these requests not be approved, the Department will be out of compliance with HB 2, 357 as referenced above.

Competitive Bidding Process

On February 14, 2011, a Request for Proposals was issued. The Request for Proposals was published on the Department of Health and Human Services website and the Division announced the release of the in a letter sent to 17 residential facilities statewide. An optional bidders conference held on February 28, 2011 was attended by three agencies. Five proposals were submitted for a 15-bed shelter care facility. Both of NFI North's

May 8, 2012

Page 4

proposals achieved the highest evaluation scores and were selected as winning bids. They were a Midway Shelter proposal for the provision of a 15-bed boys facility and a North Country Shelter proposal for a 15-bed co-ed facility. In addition, Lutheran Social Services of New England was selected to provide a 15-bed girls shelter at the Antrim Shelter facility.

Geographic area served: Statewide.

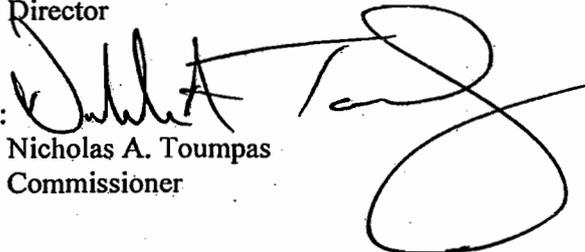
Source of funds: For educationally coded youth: 48% Federal Funds, 26% General Funds and 26% Other Funds (local education agency). For non-educationally coded youth: 48% Federal Funds and 52% General Funds.

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

Respectfully submitted,


Maggie Bishop (REB)
Director

Approved by:


Nicholas A. Toumpas
Commissioner

AMENDMENT

This Agreement (hereinafter called the "Amendment") dated this 5th day of April, 2012, by and between the State of New Hampshire, acting by and through its Division for Children, Youth and Families of the Department of Health and Human Services (herein after referred to as ("the Department")) and NFI North, Inc. - North Country Shelter (herein after referred to as the "Provider").

WHEREAS, pursuant to an Agreement (hereinafter called the "Agreement") dated May 11, 2011 and approved by the Governor and Council on June 22, 2011 Item #249, the Provider agreed to perform certain services upon the terms and conditions specified in the Agreement and in consideration of payment by the Department of certain sums as specified therein; and WHEREAS, pursuant to the provisions of Section 17 of the Agreement, the Agreement may be amended, waived or discharged only by a written instrument executed by the parties thereto; and WHEREAS, the Provider and the Department have agreed to amend the Agreement in certain respects;

1. Amendment and Modification of Agreement:

The Agreement is hereby amended as follows:

- Form P-37, Item 1.7, Completion Date, shall be amended to read "6/30/2013"
- Item 1.8, Price Limitation, shall be amended to increase the price limitation by \$1,280,869.00 for a total price limitation of "\$2,561,738.00"
- Exhibit A, Scope of Services, shall be amended to read: Contract Period: "July 1, 2012 - June 30, 2013"
- Exhibits B, Method, Schedule, and Conditions Precedent to Payment, shall be amended to read: Program Period: "July 1, 2012 - June 30, 2013".

2. Effective Date of Amendment:

This Amendment shall be effective on the date of Governor and Council approval.

3. Continuance of Agreement:

Except as specifically amended and modified by the terms and conditions of this Amendment, the Agreement, and the obligations of the parties there under, shall remain in full force and effect in accordance with the terms and conditions set forth here in.

WITNESS WHEREOF, the parties have here unto set their hands as of the date and year first above written.

NFI North, Inc.

By: [Signature]

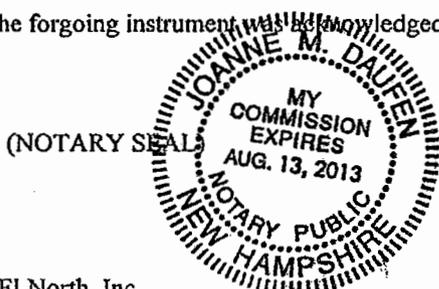
Signature

Paul L. Damm PhD, EXECUTIVE DIRECTOR
Name and Title

STATE OF NEW HAMPSHIRE

County of Merrimack

The forgoing instrument was acknowledged before me this 5 day of April, 2012.



[Signature]
(Notary Public/Justice of the Peace)

Commission Expires: August 13, 2013

Contractor Initials PLD

Date 4/5/12

THE STATE OF NEW HAMPSHIRE
Division for Children, Youth and Families

By: Maggie Bishop
Maggie Bishop, Director

Approved by the Attorney General (Form, Substance and Execution) this

19 day of Apr., 2012.

By: Jeanne P. Herrick
Attorney General
Jeanne P. Herrick, Attorney

Approved by the Governor and Executive Council this

_____ day of _____, 2012.

Contractor Initials RO
Date 4/5/12

State of New Hampshire
 Department of Health and Human Services
 Division for Children, Youth and Families

RFP#: 12-DCYFDJJS-SHC-05

Exhibit: B-1, Page 1

SFY 2013 PERSONNEL DATA - NORTH COUNTRY SHELTER

	Name	Title	Annual Salary	% of Time Spent on Project	Project Amount Charged for SFY13 (7/1/12 to 6/30/13)
1	Arsenault, Judy	Assistant Program Director	\$ 34,200.00	100%	\$ 34,200.00
2	Conway, Lynn	Clinical Case Manager	\$ 35,900.00	100%	\$ 35,900.00
3	Olgiati, Jennifer	Clinical Coordinator	\$ 40,000.00	100%	\$ 40,000.00
4	Allen, Kimberly	Direct Care Counselor	\$ 23,004.80	100%	\$ 23,004.80
5	Anderson, Anna	Direct Care Counselor	\$ 26,457.60	100%	\$ 26,457.60
6	Couture, Therese	Direct Care Counselor	\$ 23,004.80	100%	\$ 23,004.80
7	Dvorchik, Bruce	Direct Care Counselor	\$ 32,259.76	80%	\$ 25,807.81
8	Factory, Dominick	Direct Care Counselor	\$ 25,001.60	100%	\$ 25,001.60
9	Sanschagrín, Troy	Direct Care Counselor	\$ 23,462.40	100%	\$ 23,462.40
10	Streit, Neil	Direct Care Counselor	\$ 27,040.00	100%	\$ 27,040.00
11	Whithed, Thaddeus	Direct Care Counselor	\$ 25,697.36	100%	\$ 25,697.36
12	Yacek, Wayne	Direct Care Counselor	\$ 27,352.00	100%	\$ 27,352.00
13	TBD	Direct Care Counselor	\$ 23,000.00	100%	\$ 23,000.00
14	TBD	Direct Care Counselor	\$ 23,000.00	100%	\$ 23,000.00
15	TBD	Direct Care Counselor	\$ 23,000.00	100%	\$ 23,000.00
16	TBD	Direct Care Counselor	\$ 23,000.00	20%	\$ 4,600.00
17	TBD	Education Coordinator	\$ 40,000.00	100%	\$ 40,000.00
18	Stalaboin, Sarah	Nurse	\$ 35,700.00	50%	\$ 17,850.00
19	Durgin, Penny	Nurse-Hourly	\$ 97,760.00	5%	\$ 4,888.00
20	TBD	Program Director	\$ 47,000.00	100%	\$ 47,000.00
21	MacKillop, Tara	Regional Director	\$ 59,250.00	50%	\$ 29,625.00
22	Various	Relief Staff	\$ 23,000.00	125%	\$ 28,750.00
23	Hartford, Donna	Secretary	\$ 28,603.13	80%	\$ 22,882.50
24	TBD	Secretary	\$ 22,000.00	20%	\$ 4,400.00
25	Weeks, Deborah	Shift Supervisor	\$ 28,080.00	100%	\$ 28,080.00
26	Putnam, Duane	Shift Supervisor	\$ 29,640.00	100%	\$ 29,640.00
27	Cyr, Jessica	Special Ed Teacher	\$ 31,000.00	100%	\$ 31,000.00
28	Roy, Alyssa	Teacher	\$ 28,560.00	100%	\$ 28,560.00
29	Demmons, Samuel	Teacher Aide	\$ 23,008.00	100%	\$ 23,008.00
30	Walsh-Kirk, Heidi	Teacher Aide	\$ 23,008.00	100%	\$ 23,008.00
TOTAL					\$ 769,219.87

Contractor Initials:

Date: 4/5/12

State of New Hampshire
 Department of Health and Human Services
 Division for Children, Youth and Families

Top 5 paid executives - North Country Shelter

	Name	Title	Annual Salary	% of time charged to project	Project Amount Charged for SFY10 (7/1/12 to 6/30/13)
1	Cusano, Karen	Assistant Executive Director	\$ 106,000.00	0%	\$ -
2	Williamson, Janice	Regional Director	\$ 78,000.00	0%	\$ -
3	Allen, Jill	Regional Director	\$ 70,750.00	0%	\$ -
4	Dagenais, Jill	Business Manager	\$ 61,600.00	0%	\$ -
5	Mackillop, Tara	Regional Director	\$ 59,250.00	50%	\$ 29,625.00
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30					
TOTAL					\$ 29,625.00

Contractor Initials: RO

Date: 4/5/12

Exhibit: B-2 Budget Proposal RFP#: 12-DCYFDJJS-SHC-05 Provider Name: NFI North Program Name: North Country Shelter		SFY12 (7/1/12-6/30/13)			
		Division	Division	Contractor	TOTAL
		Residential	Education	Match	
		Cost	Cost		
I. Personnel					
A. Salaries and Wages					
	Residential	\$577,281		\$23,008	\$600,289
	Educational		\$167,886	\$11,500	\$179,386
		\$577,281	\$167,886	\$34,508	\$779,675
B. Fringe Benefits					
	Residential	\$155,866		\$6,212	\$162,078
	Educational		\$45,329	\$3,105	\$48,434
		\$155,866	\$45,329	\$9,317	\$210,512
C. Staff Training					
	Residential	\$2,880		\$2,550	\$5,430
	Educational		\$945		\$945
		\$2,880	\$945	\$2,550	\$6,375
D. Client Evaluations and Treatment Services					
	Residential	\$57,588		\$5,800	\$63,388
	Educational		\$4,432	\$2,800	\$7,232
		\$57,588	\$4,432	\$8,600	\$70,620
E. Other Professional Fees					
	Residential	\$0		\$2,500	\$2,500
	Educational		\$0		\$0
		\$0	\$0	\$2,500	\$2,500
II. Non-Personnel					
A. Space Costs					
	Residential	\$54,136		\$3,150	\$57,286
	Educational		\$23,793	\$1,350	\$25,143
		\$54,136	\$23,793	\$4,500	\$82,429
B. Rental, Lease or Purchase of Minor Equipment					
	Residential	\$1,170		\$350	\$1,520
	Educational		\$1,170	\$150	\$1,320
		\$1,170	\$1,170	\$500	\$2,840
C. Equipment					
	Residential	\$2,940		\$700	\$3,640
	Educational		\$3,945	\$300	\$4,245
		\$2,940	\$3,945	\$1,000	\$7,885
D. Consumable Supplies					
	Residential	\$11,585		\$3,500	\$15,085
	Educational		\$6,465	\$1,500	\$7,965
		\$11,585	\$6,465	\$5,000	\$23,050
E. Food					
	Residential	\$9,000		\$15,000	\$24,000
	Educational		\$6,000	\$10,000	\$16,000
		\$9,000	\$6,000	\$25,000	\$40,000
F. Travel					
	Residential	\$2,160		\$0	\$2,160
	Educational		\$240		\$240
		\$2,160	\$240	\$0	\$2,400
G. Transportation					
	Residential	\$10,960		\$0	\$10,960
	Educational		\$10,960		\$10,960
		\$10,960	\$10,960	\$0	\$21,920
H. Telephone					
	Residential	\$1,575		\$2,800	\$4,375
	Educational		\$675	\$1,200	\$1,875
		\$1,575	\$675	\$4,000	\$6,250
I. Other Costs					
	Residential	\$2,424		\$4,000	\$6,424
	Educational		\$4,081		\$4,081
		\$2,424	\$4,081	\$4,000	\$10,505
J. Administrative Overhead					
	Residential	\$88,067		\$9,740	\$97,807

	Educational		\$27,316	\$4,467	\$31,783
		\$88,067	\$27,316	\$14,207	\$129,590
	GRAND TOTAL	\$977,632	\$303,237	\$115,682	\$1,396,551
III. Cost Proposal Summary					
A. Units of Service					
	Number of Beds	15	15		
	Capacity @ 95%	14.25	14.25		
	Days in Program Year	365	365		
	Program Units of Service (Capacity @ 95% x Program Days)	5201	5201		
	B. (Program cost divided by Program Units of Service)				
	(Program cost divided by Program Units of Service)	\$ 187.96	\$ 58.30		

RFP#: 12-DCYFDJJS-SHC-05
 Provider Name: NFI North
 Program Name: North Country Shelter

SFY12 (7/1/12-6/30/13)

I. Personnel

A. Salaries and Wages

	Division Residential	Division Educational	Contractor Match	TOTAL
(1) Asst. Prog. Director per B1 x 100%	\$34,200			\$34,200
(1.25) Relief Staff per B1 x 100%	\$28,750	\$0		\$28,750
(2) Shift Supervisors per B1 x 100%	\$57,720			\$57,720
(1) Clinical Coordinator per B1	\$40,000			\$40,000
(1) Educ. Coord. per B1 100%		\$40,000		\$40,000
(12) Direct care Counselors* per B1 100%	\$300,428		\$11,500	\$311,928
(1) Clinical Case Manager per B1 x 100%	\$35,900			\$35,900
(.5) Nurse per B1 x 50%	\$20,464	\$2,274		\$22,738
(1) Prog. Director per B1 x 100%	\$37,600	\$8,356		\$45,956
(1) Secretary per B1 x 100%		\$27,283		\$27,283
(1) Spec. Ed. Teacher per B1 x 100%		\$31,000		\$31,000
(1) Teacher per B1 x 100%		\$28,560		\$28,560
(2) Teacher Aide** per B1 x 100%		\$23,008	\$23,008	\$46,016
(.5) Regional Director per B1 x 50%	\$22,219	\$7,406		\$29,625
	\$577,281	\$167,886	\$34,508	\$779,675

*Staffing reduced from 15 client basis
 ** One Aide covered by Title I and Agency funds

B. Fringe Benefits

Payroll taxes and fringe benefits are charged to program functions at 27% of total payroll. Approximate breakdown (varies by quarter): Fica=7.65%, Unemployment=.38%, Worker's Comp=2.67%, Health=14.01%, Retirement/Dental/Life=2.71%

\$155,866	\$45,329	\$9,317	\$210,512
\$155,866	\$45,329	\$9,317	\$210,512

C. Staff Training

\$250 per FTE per year

\$2,880	\$945	\$2,550	\$6,375
\$2,880	\$945	\$2,550	\$6,375

D. Client Evaluation and Treatment Services

Diagnostic Evaluations- 30 @ \$1200
 Substance abuse Evaluations- 30 @ \$350
 Dietician @ \$60/month
 Licensed Clinical Services @ \$100/hr
 4hrs/week
 Medical/Clinical Consulting
 Educational Consultants @ \$35/hr, 2 hrs/wk for school year

\$36,000			\$36,000
\$10,500			\$10,500
\$288	\$432		\$720
\$10,800	\$1,200		\$12,000
		\$5,800	\$5,800
	\$2,800	\$2,800	\$5,600
\$57,588	\$4,432	\$8,600	\$70,620

E. Other Professional Fees

In-house training saving

\$0	\$0	\$2,500	\$2,500
\$0	\$0	\$2,500	\$2,500

II. Non-Personnel

A. Space Costs

Property Insurance
 Storage Space Rental
 Depreciation
 Repairs & Maintenance (Plowing, Trash Removal, minor repairs)
 Non-capital furniture/ fixtures/ appliances
 Real Estate Taxes
 Mortgage Interest
 Utilities

\$984	\$422		\$1,406
\$832	\$357		\$1,189
\$18,844	\$8,076		\$26,920
\$8,280	\$3,540		\$11,800
\$500	\$500		\$1,000
\$3,150	\$1,350	\$4,500	\$9,000
\$4,766	\$2,348		\$7,114
\$16,800	\$7,200		\$24,000
\$54,136	\$23,793	\$4,500	\$82,429

B. Rental, Lease or Purchase of Minor Equipment

Computer Accessories
 Copier lease, \$195/mnth

\$0	\$0	\$500	\$500
\$1,170	\$1,170		\$2,340
\$1,170	\$1,170	\$500	\$2,840

C. Equipment

Depreciation expense-computers
 Depreciation expense-FF&E
 Computer repair & maintenance
 Software (Anti-virus, PLATO, etc.)
 Equipment maintenance/repairs

\$0	\$449		\$449
\$2,365	\$1,014		\$3,379
\$0	\$0	\$1,000	\$1,000
\$175	\$2,082		\$2,257
\$400	\$400		\$800
\$2,940	\$3,945	\$1,000	\$7,885

D. Consumable Supplies (all costs reduced 25%-50%)

RFP#: 12-DCYFDJJS-SHC-05

Provider Name: NFI North

Program Name: North Country Shelter

SFY12 (7/1/12-6/30/13)

	Division Residential	Division Educational	Contractor Match	TOTAL
Educational Materials \$200 per student slot/per year		\$3,000	\$1,500	\$4,500
Program supplies	\$2,500		\$1,500	\$4,000
Household materials	\$3,850	\$1,650		\$5,500
Medicine/Pharmacy (OTCs, first aid supplies)	\$385	\$165		\$550
Clothing	\$1,000		\$2,000	\$3,000
Office supplies	\$2,800	\$1,200		\$4,000
Postage	\$1,050	\$450		\$1,500
	\$11,585	\$6,465	\$5,000	\$23,050
E. Food				
Food*	\$9,000	\$6,000	\$25,000	\$40,000
				\$0
	\$9,000	\$6,000	\$25,000	\$40,000
* Match includes USDA funds, Surplus distribution, and NH Food Bank				
F. Travel				
Staff mileage - cost for staff mileage related to training, transporting clients, meetings, etc.	\$2,160	\$240		\$2,400
				\$0
	\$2,160	\$240	\$0	\$2,400
G. Transportation				
Vehicle Registration	\$300	\$300		\$600
Gas & Oil, 2 vans: \$200/mnth each	\$3,000	\$3,000		\$6,000
Vehicle Insurance	\$1,000	\$1,000		\$2,000
Vehicle Depreciation	\$5,660	\$5,660		\$11,320
Vehicle repair & maintenance	\$1,000	\$1,000		\$2,000
	\$10,960	\$10,960	\$0	\$21,920
H. Telephone				
Local Service	\$420	\$180	\$1,200	\$1,800
Long distance service	\$420	\$180	\$1,200	\$1,800
Wireless	\$315	\$135	\$1,000	\$1,450
ISP connection	\$420	\$180	\$600	\$1,200
				\$0
	\$1,575	\$675	\$4,000	\$6,250
*In-kind includes e-rate funding				
I. Other Costs				
Staff Background Checks	\$639	\$219	\$0	\$858
Client Allowance	\$1,500	\$0	\$0	\$1,500
Client Activities	\$1,500	\$1,500	\$4,000	\$7,000
Recruiting/Help wanted advertising	\$700	\$300	\$0	\$1,000
Dues/Subscriptions/Memberships	\$200	\$200	\$0	\$400
Licenses/Permits/Fees	\$150	\$150	\$0	\$300
Insurance (Package premium for liability, umbrella, etc)	\$5,812	\$2,491	\$0	\$8,303
unfunded costs	-\$8,077	-\$779		-\$8,856
				\$0
	\$2,424	\$4,081	\$4,000	\$10,505
*Client activities subsidized by fundraising and contributions				
J. Indirect Cost				
Administrative Overhead	\$88,067	\$27,316	\$14,207	\$177,375
9.9% of program costs charged to the Department				
GRAND TOTAL	\$977,632	\$303,237	\$115,682	\$1,444,336
III. Cost Proposal Summary				
A. Units of Service				
Number of Beds	15	15		
Capacity @ 95%	14.25	14.25		
Days in Program Year	365	366		
Program Units of Service (# of Beds x Program Days)	5,201.3	5,201.3		
B. Provide the per child per day rate for each child participating in the program				
FY11 Rate Request	\$ 187.96	\$ 58.30	\$	246.26

Contractor Initials: *RD*

Date: *4/5/12*

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.

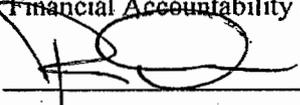
In accordance with 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

- 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.

 Paul L. DANN, PhD, EXECUTIVE DIRECTOR
(Contractor Representative Signature) (Authorized Contractor Representative Name & Title)

NFI North 4/5/12
(Contractor Name) (Date)

Contractor initials: RD
Date: 4/5/12
Page # _____ of Page # _____

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: 04 160 7966

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: _____
Date: _____
Page # _____ of Page # _____

CERTIFICATE OF VOTE
(Corporation with Seal)

I, Sue Allen, Secretary of the
(Corporation Representative Name) (Corporation Representative Title)
NFI North, Inc., do hereby certify that:
(Corporation Name)

(1) I am the duly elected and acting Secretary of the
(Corporation Representative Title)
NFI North, a New Hampshire corporation (the "Corporation");
(Corporation Name) (State of Incorporation)

(2) I maintain and have custody of and am familiar with the Seal and minute books of the Corporation;

(3) I am duly authorized to issue certificates;

(4) the following are true, accurate and complete copies of the resolutions adopted by the Board of Directors of the Corporation at a meeting of the said Board of Directors held on the
4th day of April, 2011, which meeting was duly held in accordance with

New Hampshire law and the by-laws of the Corporation:
(State of Incorporation)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting by and through the Department of Health and Human Services, providing for the performance by the Corporation of certain Shelter Care services, and that the Executive Director or Assistant Executive Director, President (or any of them acting singly) be and hereby (is) (are) authorized and directed for and on behalf of this Corporation to enter into the said contract with the State and to take any and all such actions and to execute, seal, acknowledge and deliver for and on behalf of this Corporation any and all documents, agreements and other instruments (and any amendments, revisions or modifications thereto) as (she) (he) (any of them) may deem necessary, desirable or appropriate to accomplish the same;

RESOLVED: That the signature of the executive or assistant executive director or any officer of this Corporation affixed to any instrument or document described in or contemplated by these resolutions shall be conclusive evidence of the authority of said officer or director to bind this Corporation thereby;

The forgoing resolutions have not been revoked, annulled or amended in any manner whatsoever, and remain in full force and effect as of the date hereof; and the following person(s) (has) (have) been duly elected and now occupy the office(s) indicated below.

<u>Suanne Nader</u>	President Name
<u>Paul L. Dann</u>	Executive Director
<u>Karen Cusano</u>	Assistant Executive Director

IN WITNESS WHEREOF, I have hereunto set my hand as the Secretary
(Title)

of the Corporation and have affixed its corporate seal this 5th day of April, 2012.

Sue Allen
(Signature)

(Seal)

STATE OF New Hampshire

COUNTY OF Merrimack

On this the 5th day of April, 2012, before me, Sue Allen, the undersigned officer, personally appeared Sue Allen, who acknowledge her/himself to be the

Secretary, of NFI North, a corporation, and that she/he, as
(Title) (Name of Corporation)

such Secretary being authorized to do so, executed the foregoing instrument for the
(Title)

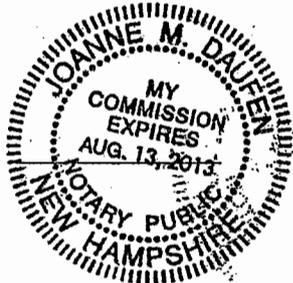
purposes therein contained, by signing the name of the corporation by her/himself as

Secretary.

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

Joanne M. Daufen
Notary Public/Justice of the Peace

My Commission expires:



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 NFI NORTH, INC. is a New Hampshire nonprofit corporation formed July 6, 1992. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 13th day of February A.D. 2012

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

William M. Gardner
Secretary of State



CERTIFICATE OF LIABILITY INSURANCE

NORTAME-02

JRABTOR

DATE (MM/DD/YYYY)

2/13/2012

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

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

PRODUCER TD Insurance, Inc. PO Box 406 Portland, ME 04112	CONTACT NAME: Mary-Ellen O'Reilly-Bracy PHONE (A/C No, Ext): (800) 723-2877 FAX (A/C, No): (877) 775-0110 E-MAIL ADDRESS: maryellen.oreilly-bracey@tdinsure.com
	INSURER(S) AFFORDING COVERAGE
INSURED North American Family Institute, Inc. NFI North Inc. 26 Howley Street Peabody, MA 01960	INSURER A: Philadelphia Indemnity Insurance Company NAIC # 18058
	INSURER B: ACE American Insurance Company NAIC # 22667
	INSURER C:
	INSURER D:
	INSURER E:
	INSURER F:

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR Y/W/D	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			PHPK805392	1/1/2012	1/1/2013	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000
	<input checked="" type="checkbox"/> Professional Liab						PERSONAL & ADV INJURY \$ 1,000,000
GENL AGGREGATE LIMIT APPLIES PER:							GENERAL AGGREGATE \$ 3,000,000
<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC							PRODUCTS - COMP/OP AGG \$ 3,000,000
A	AUTOMOBILE LIABILITY			PHPK805392	1/1/2012	1/1/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input checked="" type="checkbox"/>	SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/>	NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident) \$
							\$
A	UMBRELLA LIAB			PHUB367440	1/1/2012	1/1/2013	EACH OCCURRENCE \$ 10,000,000
	<input checked="" type="checkbox"/> OCCUR						AGGREGATE \$ 10,000,000
	EXCESS LIAB		CLAIMS-MADE				\$
DED <input checked="" type="checkbox"/> RETENTION \$ 10,000							\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WLRC43118614 (OS)	7/1/2011	7/1/2012	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)		Y/N				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				E.L. DISEASE - EA EMPLOYEE \$ 1,000,000

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

CERTIFICATE HOLDER NH DCYF 129 Pleasant St Concord, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE TD Insurance, Inc.

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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

Maggie Bishop
 Director

May 11, 2011

G&C Approved

His Excellency, Governor John H. Lynch
 and the Honorable Executive Council
 State House
 Concord, New Hampshire 03301

Date 6/22/11
 Item # 249

REQUESTED ACTION

1. Authorize the Department of Health and Human Services, Division for Children, Youth and Families and Division for Juvenile Justice Services to enter into a contract with NFI North, Inc., Contoocook, New Hampshire (Vendor #177575 B001), in the amount of \$2,619,447.00 for the provision of a 15-bed male short-term staff secure shelter care facility known as Midway Shelter, located in Bradford, NH to be effective July 1, 2011 or date of Governor and Executive Council approval, whichever is later, through June 30, 2012.
2. Authorize the Department of Health and Human Services, Division for Children, Youth and Families and Division for Juvenile Justice Services to enter into a contract with NFI North, Inc., Contoocook, New Hampshire (Vendor #177575 B001), in the amount of \$2,619,447.00 for the provision of a 15-bed co-ed short-term staff secure shelter care facility known as North Country Shelter, located in Jefferson, NH to be effective July 1, 2011 or date of Governor and Executive Council approval, whichever comes later, through June 30, 2012.

Funds for both Requested Action 1 and Requested Action 2 are anticipated to be available in State Fiscal Years 2012 upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts, if needed and justified, between State Fiscal Years:

05-95-40-403010-5855 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, SERV FOR CHILD AND FAMILIES, CHILD - FAMILY SERVICES

Shelter Facility	Class/Object	Title	Job Number	SFY 2012
Midway Shelter	533-500373	Foster Care Services	40130411	\$1,338,578.00
North Country Shelter	533-500373	Foster Care Services	40130411	\$1,280,869.00
Total:				\$2,619,447.00

The Bridges System will be used to process and monitor the payments. The New Hampshire First System will not be used to encumber these funds.

EXPLANATION

The above requested actions represents two of three such agreements that help the Divisions remain in compliance with NH Chapter 201:16, Laws of 1990, which requires a minimum of 45 geographically distributed shelter care/detention beds, or an appropriate number thereof, based on a certificate of need formula as established in rules. These contracts are requested to ensure that State-mandated, court-ordered short-term staff secure shelter care services are provided to adolescents.

A Description of Shelter Care Services

Shelter care service provides short-term residential care for adolescents in crisis that are awaiting further placement, evaluation, completion of a services plan, or court action. The youth are Children in Need of Services (CHINS), delinquent, abused, or neglected and have been court-ordered to this type of residential placement. Shelter care services are comprised of 24-hour per day residential care, with a staff-to-youth supervision ratio of 1:5 or lower. In this self-contained setting, youth participate in school, individual and group therapy and physical/recreational activities. They also receive some medical care.

Shelter care goals include: providing stability for youth by providing services that emphasize structure, ensures safety, and close supervision and containment; improving the youth's behavior through an effective behavioral management system based on their individual need; and maintaining the youth's connection to their family by facilitating contact between them and introducing concepts that promote healthy relationships.

The youth served are typically in a transitional phase, often being removed from their home for the first time while the Divisions are in the midst of identifying the youth's individual treatment and/or rehabilitation needs. Many youth, with proper structure and family support, will return to their homes, while others may go onto lengthier residential programs that provide more intensive therapeutic services. In addition, these services are sometimes used for youth who were in another residential placement and are transitioning their way back to home – with shelter care being a less intensive placement than their current one, and therefore a transitional step to ensure their successful return home. In yet other cases, shelter care may be needed for a youth that is transitioning from one residential placement to another, after treatment has revealed the need for a different therapeutic approach/residential setting, but for whom a bed at the next setting is not yet available.

Competitive Bidding Process

On February 14, 2011, the Divisions issued a Request for Proposals for this program. The Request for Proposals was published on the Department of Health and Human Services website and the Divisions also announced the release of the Request for Proposals via a letter sent to 17 residential facilities statewide. As part of the bidding process an optional bidders conference was held on February 28, 2011 and representatives from three agencies attended. The Divisions received five proposals for a 15-bed shelter care facility. Bids were received from Lutheran Social Services of New England, NFI North, Inc. (2 proposals), Nashua Children's Home and Phoenix House.

The Request for Proposals included evaluation criteria that would best meet the Divisions' need in a cost efficient manner considered to be the most advantageous to the State. The Division formed an Evaluation Committee comprised of management and staff from the Division for Children, Youth and Families and the Division for Juvenile Justice Services. Committee members individually reviewed the proposals; out of 100 possible points NFI North – Midway Shelter's proposal scored an average of 83.8 points; NFI North – North Country Shelter proposal scored an average of 86.9 points; Lutheran Social Services of New England's proposal scored an average of 85.8 points; Phoenix House's proposal scored an average of 63.3 points; and Nashua Children's Home's proposal scored an average of 75.4 points. As a result, the Committee recommended awarding two agreements to NFI North Inc. for the provision of a 15-bed boys shelter at the Midway Shelter facility and a 15-bed co-ed shelter at the North Country Shelter facility. In addition, the Committee recommended awarding an agreement to Lutheran Social Services of New England for the provision of a 15-bed girls shelter at the Antrim Shelter facility.

This Request is for approval of agreements with NFI North, Inc. for the provision of shelter care services at the Midway Shelter and North Country Shelter facilities.

Agreement Terms

The NFI agreements include six program outcomes and eighteen performance measures and indicators to evaluate the quality of services provided by NFI and to determine whether program outcomes are being realized. The Divisions utilize periodic reporting, site visits, and standardized forms to document and verify NFI's performance. NFI North, Inc. has provided shelter care residential services for the past 20 years and has performed well; their performance is clearly supported by the data gathered thus far and feedback received from staff that work directly with the shelter, as well as from the youth and their parents served by NFI. During State Fiscal Year 2010, the agency served approximately 200 youth at the Midway Shelter and approximately 190 youth at the North Country Shelter.

The costs associated with the Divisions' shelter care facilities are identified as either residential, educational or a combination thereof. For youth served that are educationally coded, their respective legally liable school district (local education agency) is responsible for payment of the educational costs. The educational costs for youth that are not educationally coded are the responsibility of the Divisions. These agreements utilize a 95% occupancy ratio to achieve the per diem rate.

The agreements are for the provision of these services for one year and reserve the Division's right to renew them for up to five additional years based on the satisfactory delivery of services, continued availability of supporting funds, and Governor and Council approval. The agreement further includes a provision that allows the Division for Children, Youth and Families to cancel the contract with a 90-day written notice.

May 11, 2011

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Geographic area served: Statewide.

Source of funds: Based on time studies conducted by NFI, 48% of the costs of the program are billable to Medicaid. For educationally coded youths, 26% Other Funds (billable to the local education agency), and 26% General Funds.

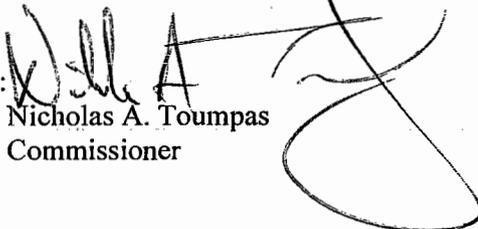
In the event that Federal or Other funds become no longer available, General funds will not be requested to support this program.

Respectfully submitted,



Maggie Bishop
Director

Approved by:



Nicholas A. Toumpas
Commissioner

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.

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

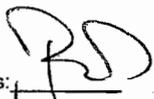
PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth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

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

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

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

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

Contractor Initials: 

Date: 5/10/11

NH Department of Health and Human Services

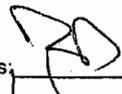
STANDARD EXHIBIT C-1

ADDITIONAL SPECIAL PROVISIONS

1. The Division reserves the right to renew the contract for up to five additional years, subject to continued availability of funds, satisfactory performance of services, and approval by the Governor and Executive Council.
2. The Division reserves the right to discontinue or cancel the Contract with ninety (90) days written notice to the Contractor(s).

Contractor Initials:

Date:


5/10/11