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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

Mary Ann Cooney
Associate
Commissioner

March 24, 2014

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

SOLE SOURCE

REQUESTED ACTION

100% Federal funds

Authorize the Department of Health and Human Services, Office of Human Services, Division for Children, Youth and Families to exercise a renewal option to existing **sole source** agreement with Antioch University New England, (Vendor #177687 B004), 40 Avon Street, Keene, NH 03431-3516, to provide project evaluation services by increasing the price limitation by \$172,695 from \$200,742 to \$373,437 and extending the contract completion date from June 30, 2014 to June 30, 2015. The Governor and Executive Council approved the original agreement on July 10, 2013, (Item #38).

Funds are available in the following accounts in the State Fiscal Years 2013, 2014 and 2015 with the ability to adjust encumbrances between State fiscal years through the Budget Office without Governor and Executive Council approval, if needed and justified.

05-95-95-958010-0833 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: COMMISSIONER, COMMUNITY BASED CARE SERVICES, SYSTEM TRANSFORMATIONS FOR YOUTH

State Fiscal Year	Class/Object	Title	Activity Code	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2013	102-500732	Contracts for Program Services	95800833	\$28,047.00	\$0.00	\$28,047
Sub Total SYF 2013:				\$28,047.00	\$0.00	\$28,047

05-95-42-421010-1238 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: HUMAN SERVICES, CHILD PROTECTION, STAY GRANT

State Fiscal Year	Class/Object	Title	Activity Code	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2014	102-500731	Contracts for Program Services	42103802	\$172,695	\$0	\$172,695
2015	102-500731	Contracts for Program Services	42103802	\$0	\$172,695	\$172,695
Sub Total SFY 2014 & 2015:				\$172,695	\$172,695	\$345,390
Contract Total Amount:				\$200,742	\$172,695	\$373,437

EXPLANATION

The original **sole source** agreement approved by Governor and Executive Council on July 10, 2013 (Item #38) included provisions for two (2) one-year extensions of this contract subject to the continued availability of funds, satisfactory Contractor performance of services and Governor and Executive Council approval. The extension for this contract will enable this key grant partner to continue to work on the development of the grant evaluation and the collection and analysis of data from this program.

Other than the extension of the completion date and amended price limitation outlined above, all other terms and conditions remain unchanged from the original agreement approved by the Governor and Executive Council on July 10, 2013, (Item #38).

The original request was sole source because the Substance Abuse and Mental Health Services Administration required states applying for the System of Care Expansion Implementation grant to identify a specific participating organization in their grant submissions. Antioch University New England was uniquely qualified to conduct the required evaluation of this project because faculty at Antioch's Center for Research on Psychological Practice possess a comprehensive understanding of the Systems of Care and Wraparound models with experience in conducting large-scale evaluations of community-based projects. After a thorough review, Substance Abuse and Mental Health Services Administration awarded the State of New Hampshire a System of Care Implementation Grant based largely on the qualifications of this organization.

This grant, known in New Hampshire as FAST Forward, is being used to develop a sustainable system of care infrastructure for children and youth with serious emotional, behavioral and/or mental challenges and their families. The infrastructure development will expand the array of supports for children and youth who are involved with two or more systems, and are at risk for out of home placement.

Project evaluation services for the System of Care Grant are necessary to measure project activities that have been designed to improve a sustainable system of care infrastructure and services. The extension will allow the vendor to complete any required analysis to provide all data required at the national evaluation in accordance with Substance Abuse and Mental Health Services Administration and a utilization-focused evaluation for the State of New Hampshire.

Should Governor and Council not authorize this request; the momentum to transform our children's mental health service delivery system will be significantly impaired. The progress and collaborative work to date of the public systems, family organizations and community providers will likely dissipate and the opportunity to improve outcomes for New Hampshire's children and youth, and their families will be lost.

Area Served: Statewide.

Source of Funds: 100% Federal

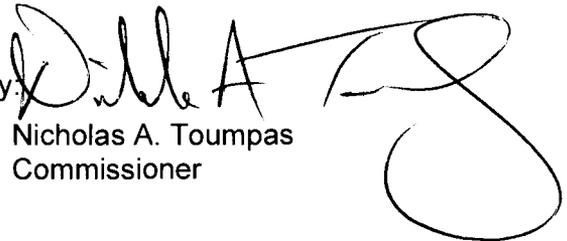
In the event that Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Mary Ann Cooney
Associate Commissioner

Approved By:



Nicholas A. Toumpas
Commissioner



State of New Hampshire
Department of Health and Human Services
Amendment #1 to the Project Evaluation Services Contract

ANTIOCH UNIVERSITY
dibla

This first Amendment to the Project Evaluation Services Contract (hereinafter referred to as "Amendment #1") dated this 19th day of February, 2014, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Antioch University New England (hereinafter referred to as "the Contractor"), an Ohio nonprofit corporation with a place of business at 40 Avon Street Keene, NH 03431-3516.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on July 10, 2013 (Item #38), 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 Form P-37, General Provisions, Paragraph 18 and Exhibit C-1, Section 2, the State may extend the terms of the contract for up to two (2) 1-year terms by mutual agreement of the parties, upon acceptable performance of the Scope of Services, availability of funding, and subsequent approval of the Governor and Executive Council;

WHEREAS, the State and Contractor have agreed to extend the terms of the contract by one year due to acceptable performance of Contract and the availability of funding;

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:

Amend as follows:

- Form P-37, Item 1.7, Completion Date, to read:
06/30/15
- Form P-37, Item 1.8, Price Limitation, to read:
\$373,437
- Exhibit B, Payment Method, Item 1, to read:
DHHS shall pay the Contractor an amount not to exceed \$373,437.
- Exhibit B, Payment Method, Item 2, to read:
The contract period is effective the date of the Governor and Executive Council approval through 06/30/15.
- Exhibit B, Payment Method, Item 10, to read:
This Agreement is funded by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA) as follows:
CFDA #: 93.243
Federal Agency: U.S. Department of Health and Human Services
Program Title: System of Care Expansion Implementation
Amount: \$373,437

Contractor Initials: 

Date: 3/7/14

**New Hampshire Department of Health and Human Services
Project Evaluation Services Contract**



-
- Standard Exhibit D, Certification Regarding Drug-Free Workplace Requirements, Period Covered by this Certification, to read:
From: 5/1/2013 To: 6/30/15
 - Standard Exhibit E, Certification Regarding Lobbying, Contract Period, to read:
05/01/13 through 06/30/15

Contractor Initials: PS
Date: 3/7/14



New Hampshire Department of Health and Human Services
Project Evaluation Services 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,

State of New Hampshire
Department of Health and Human Services

3/14
Date

Mary Ann Cooney
Mary Ann Cooney
Associate Commissioner

Antioch University of the Antioch University
NEW ENGLAND

March 7, 2014
Date

Timothy Jordan
NAME: Timothy Jordan
TITLE: VICE PRESIDENT of the CORPORATION
AND VICE CHANCELLOR OF FINANCE

Acknowledgement:
State of NH, County of Cheshire on March 7, 2014, 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

Rebecca E. Todd
Name and Title of Notary or Justice of the Peace



Contractor Initials: RFJ
Date: 3/14/14

New Hampshire Department of Health and Human Services
Project Evaluation Services Contract



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

OFFICE OF THE ATTORNEY GENERAL

4-3-14
Date

Rosemary Wiant
Name: *Rosemary Wiant*
Title: *Asst Attorney General*

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:

Contractor Initials: *RF*
Date: 3/12/14

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 Antioch University New England is a New Hampshire trade name registered on May 15, 2008 and that Antioch University presently own(s) this trade name. I further certify that it is in good standing as far as this office is concerned, having paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 14th day of April, A.D. 2014

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

William M. Gardner
Secretary of State

ANTIOCH UNIVERSITY

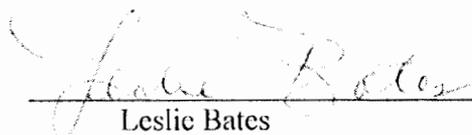
Board of Governors | 888 Dayton Street, Suite 102, Yellow Springs, OH 45387 | 937.769.1345 | www.antioch.edu

CERTIFICATION

I, Leslie Bates , Assistant Secretary of Antioch University do hereby certify that:

- (1) I am the duly elected and acting Assistant Secretary of Antioch University, an Ohio corporation;
- (2) I am duly authorized to issue certifications;
- (3) The attached are true, accurate and complete copies of the resolutions adopted by the Board of Governors of Antioch University at a meeting of the said Board of Governors held on **June 8, 2013 and October 26, 2013**, respectfully which meetings were duly held in accordance with Ohio law and the by-laws of the Corporation. Resolution 6.8.13:9 elects the officers of the corporation commencing July 1, 2013. Resolution 10.26.13:8 authorizes the President and Secretary of the Corporation, the Vice Chancellor of Finance who serves as Vice President of the Corporation or the Treasurer of the Corporation to execute written agreements and contracts.
- (4) The attached resolutions have not been revoked, annulled or amended in any manner whatsoever, and remains in full force and effect as of the date hereof.
- (5) Antioch University does business as Antioch University New England.
- (6) Timothy Jordan, in his capacity as Vice Chancellor of Finance and Vice President of the Corporation, is authorized on behalf of this Corporation to enter into contracts with the State of New Hampshire 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 he may deem necessary, desirable or appropriate to accomplish the same;
- (7) The signature of said Timothy Jordan, Vice Chancellor of Finance and Vice President of the Corporation, affixed to any instrument or document described in or contemplated by the aforementioned contract with the State of New Hampshire shall be conclusive evidence of the authority of said officer to bind this Corporation thereby.

IN WITNESS WHEREOF, I have hereunto set my hand as the Assistant Secretary of the Corporation and have affixed its corporate seal this 7th day of March 2014.



Leslie Bates

ANTIOCH UNIVERSITY

Board of Governors | 888 Dayton Street, Suite 102, Yellow Springs, OH 45387 | 937.769.1345 | www.antioch.edu

STATE OF OHIO,
COUNTY OF GREENE

On this 7th day of March 2014, before me WILLIAM GROVES,
(Name of Notary Public)

the undersigned officer, personally appeared LESLIE BATES , who
acknowledged herself to be the Assistant Secretary of the Antioch University, a
corporation, and that such Assistant Secretary of Antioch University, being duly
authorized to do so, executed the foregoing instrument for the purposes therein
contained, by signing the name of the corporation by herself as Assistant Secretary.

IN WITNESS WHEREOF, I hereby set my hand and official.



William R. Groves
Notary Public

WILLIAM R. GROVES, Attorney at Law
Notary Public, State of Ohio
My Commission has no expiration date.
Section 147.03 O. R. C.

Approved __

RESOLUTION
6.8.13:9

RESOLVED, that the following persons be elected to serve as officers for the fiscal year commencing July 1, 2013:

President and Secretary of the Corporation	Felice Nudelman
Vice President of the Corporation.....	Timothy Jordan
Treasurer of the Corporation.....	Jay Morley
Assistant Secretary of the Corporation.....	Leslie Bates

RESOLUTION

10.26.13:8

BE IT RESOLVED THAT, pursuant to the University's Bylaws, the Chancellor who serves as the President of the Corporation and Chief Executive Officer of the University, the Treasurer of the Corporation, or the Vice Chancellor for Finance who serves as the Vice President of the Corporation and Chief Financial Officer of the University are authorized to:

1. execute and deliver any and all written agreements and contracts to which the University may be or become a party and all other documents or instruments on behalf of Antioch University, including but not limited to leases of real property leased or owned by the University and contracts, deeds, and other instruments for or in connection with the sale or conveyance of real property owned by the University or in which it has an interest, provided that the sale or conveyance of real property shall be authorized by the University's Board of Governors or its Executive Committee;
2. to assign, release, or discharge upon receipt of the amount due thereon any and all mortgages or other security interests now standing or which may hereafter stand in the name of Antioch University, and to execute and deliver assignments, releases, or discharges thereof;
3. to receive and give receipts for all monies due and/or payable to the University, or any school, department, or unit thereof, including monies or property on account of or in satisfaction of bequests and devises;
4. to sign and endorse warrants, checks and all other instruments for the payment of money to the University or any school, department, or unit thereof;
5. with the approval of the General Counsel, and subject to approval by the Finance Committee if the amount payable by the University or the amount by which a claim by the University is compromised exceeds two hundred and fifty thousand dollars, to settle, compromise, and adjust any claims made by or against the University or any such controversies in which the University has an interest, and to carry out the terms and provisions of such settlements, compromises, or adjustments; and
6. to affix the signature and the corporate seal of the University to any of the instruments or papers mentioned in this paragraph, the execution of which is duly authorized.

FURTHER RESOLVED THAT, the Treasurer or CFO shall have the following powers: to sell, assign, transfer, convey, release, discharge, and exercise any and all rights and

powers including without limitation executing and delivering proxy and other instruments, incident to the ownership of any shares of stock, bonds, mortgages, or other securities, now or hereafter standing in the name of Antioch University, or in the name of the Treasurer with power to appoint one or more attorneys-in-fact for those purposes, all subject to regulation by the Finance Committee of the Board of Governors.

FURTHER RESOLVED THAT the Treasurer or Vice Chancellor of Finance (CFO) shall have power to delegate to one or more subordinate officials, or, with the approval of the Chancellor and when appropriate to the duties and responsibilities of such individual, to another officer or to officials subordinate to another officer, any or all of the powers mentioned in paragraphs 1 through 5 above.

FURTHER RESOLVED THAT notwithstanding any former university policy to the contrary, the President of each campus is authorized to execute and deliver any and all written agreements and contracts to which the University may be or become a party not exceeding \$25,000 provided that such contract has been approved by the Chancellor or Vice Chancellor for Finance and reviewed by General Counsel. All other documents or instruments on behalf of Antioch University, including but not limited to leases of real property leased by the University and contracts exceeding \$25,000 shall be executed by the University Chancellor, Treasurer, or Vice Chancellor for Finance.



CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)
 3/7/2014

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

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

PRODUCER Commercial Lines - (937) 223-8891 Wells Fargo Insurance Services USA, Inc. Talbott Tower, 131 N. Ludlow, Suite 700 Dayton, OH 45402-1132	CONTACT NAME: PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____ <table style="width: 100%; border: none;"> <tr> <td style="text-align: center; border: none;">INSURER(S) AFFORDING COVERAGE</td> <td style="text-align: center; border: none;">NAIC #</td> </tr> <tr> <td style="border: none;">INSURER A : Travelers Property Casualty Insurance Company</td> <td style="border: none;">36161</td> </tr> <tr> <td style="border: none;">INSURER B : Travelers Casualty and Surety Co. of America</td> <td style="border: none;">31194</td> </tr> <tr> <td style="border: none;">INSURER C :</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">INSURER D :</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">INSURER E :</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">INSURER F :</td> <td style="border: none;"></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Travelers Property Casualty Insurance Company	36161	INSURER B : Travelers Casualty and Surety Co. of America	31194	INSURER C :		INSURER D :		INSURER E :		INSURER F :	
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INSURER D :															
INSURER E :															
INSURER F :															
INSURED Antioch University New England 40 Avon St. Keene, NH 03458-3516															

COVERAGES
CERTIFICATE NUMBER: 7425275
REVISION NUMBER: See below

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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER: _____			630-1685P876-TIL-13	10/31/2013	10/31/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$	
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS							COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$							EACH OCCURRENCE \$ AGGREGATE \$ \$
	B WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A		YJUB5596N19A13	7/1/2013	7/1/2014	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000	

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

CERTIFICATE HOLDER

 New Hampshire Department of Health and Human Services
 Attn: Eric Borrin
 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

Antioch University

**Financial Report
June 30, 2012**

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Independent Auditor's Report

Board of Governors
Antioch University
Yellow Springs, Ohio

We have audited the accompanying statements of financial position of Antioch University ("the University") as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide 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 Antioch University as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey LLP

Columbus, Ohio
October 29, 2012

Antioch University

Statements of Financial Position
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	\$ 6,283,142	\$ 4,472,468
Accounts receivable		
Students, net	625,431	950,458
Grants	934,791	40,660
Other	343,084	265,100
Prepaid expenses	2,227,633	2,405,400
Loans to students, net	5,198,891	5,344,074
Contributions receivable, net	1,846,904	1,856,804
Investments	28,692,895	33,374,758
Land, buildings, and equipment, net	28,872,724	25,119,808
Assets to be disposed of	321,872	1,197,115
Total assets	\$ 75,347,367	\$ 75,026,645
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 1,338,244	\$ 1,133,030
Accrued benefit liabilities	3,428,419	3,281,258
Other accrued liabilities	4,228,062	2,363,723
Deferred revenue	4,016,985	3,019,688
Notes and bonds payable	19,323,478	20,255,000
Deposits held for others	300,689	314,416
Advances from government for student loans	4,844,072	4,888,701
Liabilities to be disposed of	321,872	1,197,115
Total liabilities	37,801,821	36,452,931
Net Assets		
Unrestricted	24,966,436	25,999,860
Temporarily restricted	8,250,200	8,279,892
Permanently restricted	4,328,910	4,293,962
Total net assets	37,545,546	38,573,714
Total liabilities and net assets	\$ 75,347,367	\$ 75,026,645

See Notes to Financial Statements.

Antioch University

Statement of Activities
Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Other Support				
Tuition and fees	\$ 65,312,553	\$ -	\$ -	\$ 65,312,553
Less student aid	(1,073,757)	-	-	(1,073,757)
	<u>64,238,796</u>	<u>-</u>	<u>-</u>	<u>64,238,796</u>
Contributions	619,858	1,696,360	34,860	2,351,078
In-kind contributions	233,449	142,562	-	376,011
Contracts and other exchange transactions	3,379,419	-	-	3,379,419
Investment income	689,271	124,901	88	814,260
Net realized and unrealized gain (loss) on investments	(149,209)	20,980	-	(128,229)
Sales and service of auxiliary enterprises	1,103,537	-	-	1,103,537
Other income	948,059	124,149	-	1,072,208
Total revenues and gains	<u>71,063,180</u>	<u>2,108,952</u>	<u>34,948</u>	<u>73,207,080</u>
Net assets released from restrictions	2,138,644	(2,138,644)	-	-
Total revenues, gains, and other support	<u>73,201,824</u>	<u>(29,692)</u>	<u>34,948</u>	<u>73,207,080</u>
Expenses and Losses				
Educational and general:				
Instruction	29,783,326	-	-	29,783,326
Research	186,815	-	-	186,815
Public service	2,215,718	-	-	2,215,718
Academic support	5,829,270	-	-	5,829,270
Student services	5,723,563	-	-	5,723,563
Institutional support	25,798,372	-	-	25,798,372
Scholarships and fellowships	2,458,992	-	-	2,458,992
Total educational and general expenses	<u>71,996,056</u>	<u>-</u>	<u>-</u>	<u>71,996,056</u>
Auxiliary enterprises	1,319,217	-	-	1,319,217
Total expenses	<u>73,315,273</u>	<u>-</u>	<u>-</u>	<u>73,315,273</u>
Change in net assets before change in fair value of interest rate swap and effect of postretirement changes other than net periodic postretirement cost	(113,449)	(29,692)	34,948	(108,193)
Change in fair value of interest rate swap	(902,552)	-	-	(902,552)
Postretirement changes other than net periodic postretirement cost	(17,423)	-	-	(17,423)
Change in net assets	<u>(1,033,424)</u>	<u>(29,692)</u>	<u>34,948</u>	<u>(1,028,168)</u>
Net assets - beginning	25,999,860	8,279,892	4,293,962	38,573,714
Net assets - ending	<u>\$ 24,966,436</u>	<u>\$ 8,250,200</u>	<u>\$ 4,328,910</u>	<u>\$ 37,545,546</u>

See Notes to Financial Statements.

Antioch University

Statement of Activities
Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Other Support				
Tuition and fees	\$ 66,556,137	\$ -	\$ -	\$ 66,556,137
Less student aid	(917,973)	-	-	(917,973)
	65,638,164	-	-	65,638,164
Contributions	727,859	1,031,964	184,124	1,943,947
In-kind contributions	270,194	1,534,360	-	1,804,554
Contracts and other exchange transactions	4,523,851	-	-	4,523,851
Investment income	354,456	(19,699)	669	335,426
Net realized and unrealized gain on investments	1,510,152	3,254,010	-	4,764,162
Sales and service of auxiliary enterprises	635,357	-	-	635,357
Other income	512,862	119,478	-	632,340
Total revenues and gains	74,172,895	5,920,113	184,793	80,277,801
Net assets released from restrictions	1,141,580	(1,141,580)	-	-
Total revenues, gains, and other support	75,314,475	4,778,533	184,793	80,277,801
Expenses and Losses				
Educational and general:				
Instruction	30,104,541	-	-	30,104,541
Research	206,194	-	-	206,194
Public service	2,155,824	-	-	2,155,824
Academic support	7,202,028	-	-	7,202,028
Student services	6,529,121	-	-	6,529,121
Institutional support	23,022,169	-	-	23,022,169
Scholarships and fellowships	2,654,335	-	-	2,654,335
Total educational and general expenses	71,874,212	-	-	71,874,212
Auxiliary enterprises	758,585	-	-	758,585
Total expenses	72,632,797	-	-	72,632,797
Change in net assets before change in fair value of interest rate swap and effect of postretirement changes other than net periodic postretirement cost	2,681,678	4,778,533	184,793	7,645,004
Change in fair value of interest rate swap	(73,759)	-	-	(73,759)
Postretirement changes other than net periodic postretirement cost	59,671	-	-	59,671
Change in net assets	2,667,590	4,778,533	184,793	7,630,916
Net assets - beginning	23,332,270	3,501,359	4,109,169	30,942,798
Net assets - ending	\$ 25,999,860	\$ 8,279,892	\$ 4,293,962	\$ 38,573,714

See Notes to Financial Statements.

Antioch University

Statements of Cash Flows

Years Ended June 30, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Change in net assets	\$ (1,028,168)	\$ 7,630,916
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,186,322	2,022,872
Accretion for asset retirement obligation	20,189	12,219
Loss on disposal of fixed assets	11,190	72,578
Net realized and unrealized (gains) losses on investments	128,229	(4,764,162)
Fair value of interest rate swap	902,552	73,759
Contributions restricted for permanent investment	(34,860)	(184,124)
Changes in operating assets and liabilities:		
Accounts and grants receivable	(647,088)	(259,679)
Contributions receivable	9,900	(1,597,812)
Prepaid expenses	142,038	(224,513)
Accounts payable, accrued benefit liabilities and other accrued liabilities	1,293,973	371,825
Deferred revenue	997,297	(1,033,546)
Deposits held for others	(13,727)	121,923
Net cash provided by operating activities	3,967,847	2,242,256
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	35,439,863	20,643,323
Purchases of investments	(30,886,229)	(24,873,889)
Purchases of land, building, and equipment	(5,929,699)	(1,363,823)
Proceeds from sales of equipment	15,000	-
Disbursements of loans to students	(561,075)	(624,648)
Repayments of loans from students	706,258	708,331
Net cash used in investing activities	(1,215,882)	(5,510,706)
Cash Flows from Financing Activities		
Contributions restricted for permanent investment	34,860	184,124
Repayments of principal of indebtedness	(931,522)	(860,000)
Issuance of notes payable	-	350,000
Increase in advances from government for student loans	(44,629)	(97,364)
Net cash used in financing activities	(941,291)	(423,240)
Net increase (decrease) in cash and cash equivalents	1,810,674	(3,691,690)
Cash and Cash Equivalents - Beginning	4,472,468	8,164,158
Cash and Cash Equivalents - Ending	\$ 6,283,142	\$ 4,472,468
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	\$ 482,762	\$ 487,594

See Notes to Financial Statements.

Antioch University

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Antioch University ("the University") is founded on principles of rigorous liberal arts education, innovative experiential learning and socially engaged citizenship. The multiple campuses of the University operate as divisions within the University and nurture in their students the knowledge, skills and habits of reflection to excel as lifelong learners, democratic leaders and global citizens who live lives of meaning and purpose.

Approximately 4,000 students currently study at the five campuses of Antioch University: Antioch University New England in Keene, New Hampshire; Antioch University Seattle; Antioch University Los Angeles; Antioch University Santa Barbara; and Antioch University Midwest in Yellow Springs, Ohio. The University's administrative offices are in Yellow Springs, and it is here that the Chancellor and her staff provide University-wide planning, fiscal review and accountability for all operations, and advice to the Board of Governors on University-wide policies.

On June 29, 2009, the University Board of Governors signed an asset purchase agreement with Antioch College Continuation Corporation ("ACCC") to sell the assets historically associated with the College, Glen Helen Ecology Institute and the Antioch Review. The transaction was finalized on September 4, 2009. At June 30, 2012 and 2011 the University still holds \$321,872 and \$1,197,115, respectively, of investments and perpetual trusts which will be transferred to the ACCC after final approval of the court to the change in beneficiary is received. These items are recorded as assets to be disposed of and a corresponding liability to be disposed of at June 30, 2012 and 2011. See Note 17 for discussion of discontinued operations.

Basis of accounting: The financial statements of the University have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Basis of presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB). The University is required to report information regarding its financial position, and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

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

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the University and/or the passage of time.

Permanently Restricted - Net assets subject to donor-imposed stipulations that will be maintained permanently by the University. Generally, the donors of these assets permit the University to use all or part of the income earned on related investments for general or specific purposes.

The expiration of a donor-imposed restriction on a contribution or on endowment income is recognized in the period in which the restriction expires and, at that time, the related resources are reclassified to unrestricted net assets. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Fair value of financial instruments: The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- Cash and cash equivalents, accounts receivable, grants receivable, other accrued liabilities, and deferred revenue: The carrying amounts approximate fair value because of the short maturity of these financial instruments.
- Investments: The fair value of investments is based upon quoted market values. Alternative investments, for which there is no ready market, are valued at fair value as estimated by management.
- Beneficial interest in split interest agreements: Contributions receivable from remainder trusts are recorded at the fair value of the funds held by the trust.
- Notes and bonds payable: The carrying value of the University's notes and bonds payable approximates fair value as these financial instruments have variable rates that reflect currently available terms and conditions for similar debt.
- Interest rate swaps: Current market pricing models were used to estimate the fair value of the interest rate swap agreement.

Cash equivalents: The University considers temporary investments purchased with an initial maturity of three months or less to be cash equivalents for the statements of financial position and for purposes of preparing the statements of cash flows. In addition, the University maintains cash which may exceed federally insured amounts. The University continually monitors its balances to minimize the risk of loss.

Accounts receivable: Accounts receivable are stated at the amount the University expects to collect from outstanding balances. Management estimates an allowance for doubtful accounts based upon management's review of delinquent accounts and an assessment of the University's historical evidence of collections. Specific accounts are charged to the reserve when management determines that the account is deemed uncollectible. Management has reviewed the detail of accounts receivable and has determined an allowance is necessary at June 30, 2012 and 2011. (See Note 2)

Investments: Investments are recorded at fair value based upon market values or dealer quotes, with changes in market value being recognized as gains and losses during the period in which they occur. Net appreciation on endowment funds is reported as temporarily restricted net assets, unless such net appreciation has been permanently restricted by the donor or by law. Net depreciation on endowment funds below the historical dollar gift of a permanently restricted fund are recorded as unrestricted net assets.

Alternative investments, for which there is no ready market, are valued at fair value as estimated by management. To estimate fair value, management may rely on valuations reported by the general partners of such investments and/or the University's investment advisor. Because of the inherent uncertainty of valuation in the absence of readily ascertainable market values, the estimated values of those investments may differ from the values that would have been used had a ready market existed for such investments or if the investments were realized, and the differences could be material. Such investments are, by their nature, generally considered to be long-term investments and are not intended to be liquidated on a short-term basis.

Antioch University

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Land, buildings, and equipment: Land, buildings, and equipment are recorded at cost at the date of acquisition or fair value at date of donation in the case of gifts. Depreciation is provided on the straight-line basis over the estimated useful lives of the applicable assets, which range from 3 to 20 years. Depreciation expense was \$2,150,593 and \$1,987,143 for the years ended June 30, 2012 and 2011, respectively.

Bond issuance costs: The University capitalized bond discounts and certain issuance costs associated with the issuance of the New Hampshire Health and Education Facilities Authority Adjustable Rate Demand Refunding Revenue Bonds, the Washington State Housing Finance Commission Variable Rate Demand Nonprofit Revenue Bonds, and the 2006 State of Ohio Higher Education Facility Variable Rate Revenue Bonds. The costs are being amortized over the maturities of the bonds. Amortization expense was \$35,729 for the years ended June 30, 2012 and 2011. The unamortized balance amounts to \$548,715 and \$584,444 at June 30, 2012 and 2011, respectively, and is included in prepaid expenses in the statements of financial position. Accumulated amortization on bond issuance cost was \$243,334 and \$207,605 at June 30, 2012 and 2011, respectively.

Interest rate swap agreements: Interest rate swap agreements are recognized as either assets or liabilities at their fair value in the statements of financial position with the changes in the fair value reported in current-period change in net assets. These instruments are included on the statements of financial position in other accrued liabilities and the change in the fair value is recorded on the statements of activities as change in fair value of interest rate swap. The University's interest rate swap agreements are used to manage exposure to interest rate movement by effectively changing the variable rate of the University's bonds payable to a fixed rate.

Assets held for sale and discontinued operations: A business component that is disposed of or classified as held for sale is reported as discontinued operations if the cash flows of the component have been or will be eliminated from the ongoing operations of the University and the University will no longer have any significant continuing involvement in the business component.

The results of discontinued operations are aggregated and presented separately in the statements of activities. Assets and liabilities of the discontinued operations are aggregated and reported separately as assets to be disposed of and liabilities to be disposed of in the statements of financial position (See Note 17).

Valuation of long-lived assets: Long-lived assets and certain identifiable intangible assets are required to be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. During 2012 and 2011, the University reviewed their assets for potential impairment, and no impairment losses were identified.

Deferred revenue: Deferred revenue represents cash received from students for the following fiscal year but not yet earned. Grant proceeds which have been received but not yet spent according to the grantors terms are also reported as deferred revenue.

Advances from government for student loans: Funds provided by the United States government under the Federal Perkins Loan program are loaned to qualified students and may be reloaned after collections. These funds are ultimately refundable to the government and, therefore, recorded as a liability in the accompanying financial statements.

Antioch University

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Revenue recognition:

Tuition and fees: The University records the income from tuition and fees at the beginning of the quarter when classes begin. Tuition for summer quarter is recorded as a percentage of the quarter revenue based upon the number of weeks in each fiscal year. The remainder of tuition received is recorded as deferred revenue.

Grants and exchange transactions: The University records grant income and exchange transactions in the period earned.

Auxiliary enterprises: Auxiliary enterprise revenue is recognized when earned based upon a service date.

Contributions: Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions, if any, on the contributions. Allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

In-Kind Contributions: In-kind contributions are recorded as revenue and expense in the statements of activities at the time those contributions and services are received.

During 2011, the University entered into a 10-year operating lease for a facility for which the University received a rental rate that was below the fair value for the facility. The University also entered into an interest free loan for improvements to the facility. Management estimated the fair value of the rental rate for the facility by obtaining comparable rental rates for other properties in the area. The difference between the fair value rental rate of the facility and the amount the University is obligated to pay under the agreement has been recorded as an in-kind contribution. Additionally, an in-kind contribution has been recorded for the imputed interest on the loan. At June 30, 2012 and 2011, the present value of the future in-kind rent over the next ten years and the imputed interest on the loan was recorded as a pledge receivable amounting to \$1,473,082 and \$1,534,360, respectively.

Advertising: Advertising costs are expensed as incurred and exclude fundraising costs. Amounts charged to expense were \$1,571,696 and \$1,318,037 for the years ended June 30, 2012 and 2011, respectively.

Federal income taxes: The University is a qualifying organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and is, therefore, exempt from income taxes under IRC Section 501(a) on its normal operations. However, the University is taxed on other unrelated income, if any. The University is subject to federal income tax on rental income.

Antioch University

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The University follows FASB guidance on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the University may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the University, the continued tax-exempt status of bonds issued by the University, and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. At June 30, 2012 and 2011, there were no unrecognized tax benefits identified or recorded as liabilities.

The University files forms 990 and 990-T in the U.S. federal jurisdiction and the required states. With few exceptions, the University is no longer subject to examination by the Internal Revenue Service for years before 2008.

Reclassifications: Certain 2011 amounts have been reclassified to conform with the 2012 presentation.

Subsequent events: The University has evaluated subsequent events for potential recognition and/or disclosure through October 29, 2012, the date the financial statements were available to be issued.

Note 2. Receivables

Receivables consist of the following at June 30:

	2012				
	Gross Amount	Allowance	Net	Current Portion	Long-Term Portion
Students	\$ 894,549	\$ 269,118	\$ 625,431	\$ 625,431	\$ -
Grants	934,791	-	934,791	934,791	-
Other	343,084	-	343,084	343,084	-
Student loans	7,339,544	2,140,653	5,198,891	-	5,198,891
	<u>\$ 9,511,968</u>	<u>\$ 2,409,771</u>	<u>\$ 7,102,197</u>	<u>\$ 1,903,306</u>	<u>\$ 5,198,891</u>

	2011				
	Gross Amount	Allowance	Net	Current Portion	Long-Term Portion
Students	\$ 1,487,541	\$ 537,083	\$ 950,458	\$ 950,458	\$ -
Grants	40,660	-	40,660	40,660	-
Other	265,100	-	265,100	265,100	-
Student loans	7,452,638	2,108,564	5,344,074	-	5,344,074
	<u>\$ 9,245,939</u>	<u>\$ 2,645,647</u>	<u>\$ 6,600,292</u>	<u>\$ 1,256,218</u>	<u>\$ 5,344,074</u>

Antioch University

Notes to Financial Statements

Note 3. Contributions Receivable

Contributions receivable consist of the following at June 30:

	2012	2011
Unconditional promises expected to be collected in:		
Less than one year	\$ 440,105	\$ 424,639
One to five years	829,212	911,489
More than five years	609,656	556,281
	<u>1,878,973</u>	<u>1,892,409</u>
Allowance for uncollectible contributions	(32,069)	(35,605)
Net contributions receivable	<u>\$ 1,846,904</u>	<u>\$ 1,856,804</u>

The amounts are recorded after discounting to the present value of the future cash flows at a rate of 0.73% and 1.75% as of June 30, 2012 and 2011, respectively, for pledge receivables beyond one year.

Note 4. Investments

Investments of the University at June 30, 2012 and 2011 are comprised of the following:

	2012 at Fair Value		
	Total	Reclassified to Discontinued Operations	Continuing Operations
Cash and money market funds	\$ 531,015	\$ -	\$ 531,015
Equity securities	13,435,489	-	13,435,489
Fixed income securities	14,726,391	-	14,726,391
	<u>\$ 28,692,895</u>	<u>\$ -</u>	<u>\$ 28,692,895</u>
	2012 at Cost		
	Total	Reclassified to Discontinued Operations	Continuing Operations
Cash and money market funds	\$ 531,015	\$ -	\$ 531,015
Equity securities	13,740,037	-	13,740,037
Fixed income securities	14,557,244	-	14,557,244
	<u>\$ 28,828,296</u>	<u>\$ -</u>	<u>\$ 28,828,296</u>

Antioch University

Notes to Financial Statements

Note 4. Investments (Continued)

	2011 at Fair Value		
	Total	Reclassified to Discontinued Operations	Continuing Operations
Cash and money market funds	\$ 507,691	\$ -	\$ 507,691
Equity securities	9,700,720	592,577	9,108,143
Equity securities - privately held	6,535,919	-	6,535,919
Fixed income securities	17,202,933	-	17,202,933
Alternative investments	158,744	138,672	20,072
	<u>\$ 34,106,007</u>	<u>\$ 731,249</u>	<u>\$ 33,374,758</u>

	2011 at Cost		
	Total	Reclassified to Discontinued Operations	Continuing Operations
Cash and money market funds	\$ 507,691	\$ -	\$ 507,691
Equity securities	9,639,470	470,851	9,168,619
Equity securities - privately held	118,745	-	118,745
Fixed income securities	17,234,217	-	17,234,217
Alternative investments	125,000	109,195	15,805
	<u>\$ 27,625,123</u>	<u>\$ 580,046</u>	<u>\$ 27,045,077</u>

At June 30, 2011 the University held common stock investments in a company that is not publicly traded. The investments are recorded at fair value, which is determined by the management of the University and the investee company. In August 2011, the investee company was acquired by another company. As a result, the University received approximately \$6,500,000 in cash in exchange for their stock of the investee company.

The alternative investments represent investments in limited liability companies that comprise 0.02% at June 30, 2011, of its total assets.

The University invests in a professionally managed portfolio that contains common shares and bonds of publicly-traded companies, U.S. Government obligations, mutual funds, alternative investments, and money market funds. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Antioch University

Notes to Financial Statements

Note 5. Fair Value Disclosures

The University follows the FASB guidance regarding fair value measurements. The guidance applies to all financial instruments that are being measured and reported at fair value and establishes a three-level hierarchy for disclosure to show the extent and the level of judgment used to estimate fair value measurements. The three categories are defined as follows:

Level 1 — Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 — Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 — Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For the fiscal years ended June 30, 2012 and 2011, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Investments: The fair values of investments, other than alternative investments, are based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, due to the limited market activity of the instrument, fair value is based upon externally developed models that use unobservable inputs.

Alternative Investments: These investments, for which there is no ready market, are valued at fair value from reports provided by the investment managers.

Beneficial Interest in Trusts Held by Others: The fair value of the beneficial interest in assets held by others are based on quoted prices of underlying assets held by the trustees. Due to the restrictions on these assets that do not allow the University redemption rights, fair value is deemed to be based on Level 3 inputs.

Interest Rate Swaps: The fair value of the University's interest rate swaps was provided by valuation experts. Certain derivatives with limited market activity are valued using externally developed models that consider unobservable market parameters.

The following table sets forth by level within the fair value hierarchy the University's financial assets and liabilities that were accounted for at a fair value on a recurring basis as of June 30, 2012 and 2011. The financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The University's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels.

Antioch University

Notes to Financial Statements

Note 5. Fair Value Disclosures (Continued)

	2012			
	Total	Level 1	Level 2	Level 3
Financial Assets:				
Investments				
Equity securities				
Mutual funds - equity	\$ 13,435,489	\$ 13,435,489	\$ -	\$ -
Mutual funds - fixed income	14,726,391	14,726,391	-	-
	28,161,880	28,161,880	-	-
Money market funds and cash	531,015			
Total investments	28,692,895			
Other Assets				
Interest rate swap	431	-	431	-
Beneficial interest in trusts held by others	321,872	-	-	321,872
Total assets	\$ 29,015,198	\$ 28,161,880	\$ 431	\$ 321,872
Financial Liabilities:				
Interest rate swaps	\$ 1,549,112	\$ -	\$ 1,549,112	\$ -
Total liabilities	\$ 1,549,112	\$ -	\$ 1,549,112	\$ -
	2011			
	Total	Level 1	Level 2	Level 3
Financial Assets:				
Investments				
Equity securities				
Common stock - privately held	\$ 6,535,919	\$ -	\$ -	\$ 6,535,919
Mutual funds - equity	9,700,720	9,700,720	-	-
Mutual funds - fixed income	17,202,933	17,202,933	-	-
Alternative investments				
Fund of funds	158,744	-	-	158,744
	33,598,316	26,903,653	-	6,694,663
Money market funds and cash	507,691			
Total investments	34,106,007			
Other Assets				
Interest rate swap	58,644	-	58,644	-
Beneficial interest in trusts held by others	465,866	-	-	465,866
Total assets	\$ 34,630,517	\$ 26,903,653	\$ 58,644	\$ 7,160,529
Financial Liabilities:				
Interest rate swaps	\$ 704,773	\$ -	\$ 704,773	\$ -
Total liabilities	\$ 704,773	\$ -	\$ 704,773	\$ -

Antioch University

Notes to Financial Statements

Note 5. Fair Value Disclosures (Continued)

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis are summarized as follows:

	Common stock - privately held	Alternative investments	Trusts held by others
Balance, June 30, 2010	\$ 10,440,006	\$ 297,681	\$ 478,901
Realized and unrealized gains	4,817,239	12,394	52,674
Sales	(8,721,326)	(151,331)	(65,709)
Balance, June 30, 2011	6,535,919	158,744	465,866
Realized and unrealized losses	-	-	(26,399)
Sales	(6,535,919)	(158,744)	(117,595)
Balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321,872</u>

Note 6. Land, Building, and Equipment

The following is a summary of land, building, and equipment as of June 30:

	2012	2011
Building	\$ 20,917,092	\$ 20,917,092
Building improvements	19,474,226	13,554,353
Equipment	6,089,944	5,106,780
Furniture and fixtures	2,052,490	2,052,490
Land and land improvements	291,253	267,365
Library books	773,583	773,584
Art	70,948	70,948
Vehicles	45,784	45,784
Construction in progress	-	1,118,703
	<u>49,715,320</u>	<u>43,907,099</u>
Less accumulated depreciation	(20,842,596)	(18,787,291)
Net book value	<u>\$ 28,872,724</u>	<u>\$ 25,119,808</u>

Antioch University

Notes to Financial Statements

Note 7. Notes and Bonds Payable

Notes and bonds payable consist of the following at June 30:

	2012	2011
New Hampshire Health and Education Facilities Authority Adjustable Rate Demand Refunding Revenue Bonds (New Hampshire Bonds), Antioch University Issue, Series 2004, secured by gross receipts, due in annual installments of principal beginning December 2005 through December 2024, plus interest at a variable rate. Interest rates at June 30, 2012 and 2011 were 0.16% and 0.08%, respectively.	\$ 3,170,000	\$ 3,355,000
Washington State Housing Finance Commission Variable Rate Demand Nonprofit Revenue Bonds (Seattle Bonds) Series 2005, secured by trust fund, annual installments of principal beginning January 2006 through January 2027, plus interest at a variable rate. Interest rates at June 30, 2012 and 2011 were 0.18% and 0.09%, respectively.	5,105,000	5,375,000
2006 State of Ohio Higher Education Facility Variable Rate Revenue Bonds (Ohio Bonds), secured by gross receipts, annual installments of principal beginning February 2007 through February 2029, plus interest at a variable rate. Interest rates at June 30, 2012 and 2011 were 0.16% and 0.08%, respectively.	10,735,000	11,175,000
Unsecured \$350,000 loan bearing interest at 0% from a foundation; due in monthly principal installments of \$3,044 through 2021.	313,478	350,000
	<u>\$ 19,323,478</u>	<u>\$ 20,255,000</u>

The New Hampshire and Ohio bonds are secured by a letter of credit (LOC) with a bank, which expires on February 16, 2014. In the event that the remarketing agent is unable to remarket the bonds, the bonds become a demand note under the LOC issued by the bank. If the LOC cannot be renewed and an alternative LOC cannot be obtained, the bonds require immediate repayment.

The Seattle Bonds are secured by a LOC which expires on October 31, 2015. In the event that the remarketing agent is unable to remarket the bonds, amounts drawn under the LOC are required to be reimbursed to the bank on the 1st day of the 13th month following the drawing with interest payable monthly at the prime rate plus 2%.

The Ohio, New Hampshire and Seattle bonds contain certain restrictive covenants that include, among other things, minimum requirements for annual debt service, liquidity and debt-to-equity ratios. At June 30, 2012, the University was not in compliance with certain restrictive covenants, however, the lenders have waived the requirements for the year then ended.

As a part of a strategy to manage the University's debt position over time and decrease variable rate risk, the University entered into two interest rate swap agreements during 2010 to exchange the difference between the variable-rate interest rate indexed to the Securities Industry and Financial Markets Association (SIFMA) rate (0.16% and 0.08% at June 30, 2012 and 2011, respectively) and a fixed interest rate (2.99% and 2.91%, respectively). The swaps are calculated on a notional value of \$10,735,000 and \$3,170,000, respectively. The original notional value was \$12,000,000 and \$3,530,000, respectively. The difference between the fixed interest rate and the variable interest rate is settled on a monthly basis. The agreements terminate on December 1, 2019. The University is exposed to credit loss in the event of nonperformance by the counter party, however, the University does not anticipate nonperformance by the counter party. The change in fair value of the interest rate swaps are reflected in the statement of activities. The fair value of the interest rate swaps at June 30, 2012 and 2011 is a liability of \$1,549,112 and \$704,773, respectively, and is included in other accrued liabilities in the accompanying statement of financial position.

Antioch University

Notes to Financial Statements

Note 7. Notes and Bonds Payable (Continued)

During 2011, the University purchased an interest rate swap to cap its variable interest rate on certain bonds at 2%. The swap is calculated on a notional amount of \$5,105,000. The original notional value was \$5,640,000. The difference between the fixed interest rate and the variable interest rate is settled on a monthly basis. The agreement terminates on October 31, 2015. The University is exposed to credit loss in the event of nonperformance by the counter party, however, the University does not anticipate nonperformance by the counter party. The change in fair value of the interest rate swap is reflected in the statement of activities. The fair value of the interest rate cap at June 30, 2012 and 2011 is an asset of \$431 and \$58,644 and is included in prepaid expenses in the accompanying statements of financial position.

Maturities of the notes and bonds for the years succeeding June 30, 2012 are:

2013	\$ 961,522
2014	991,522
2015	1,026,522
2016	1,066,522
2017	1,101,522
Thereafter	14,175,868
	<u>\$ 19,323,478</u>

Interest expense amounted to \$478,025 and \$487,594 in 2012 and 2011, respectively.

Note 8. Retirement Plans

The University has three defined contribution retirement plans for eligible faculty and non-faculty personnel managed by Teachers Insurance and Annuity Association—College Retirement Equities Fund (TIAA-CREF). Contributions to these plans by the University were \$3,463,191 and \$3,387,330 in 2012 and 2011, respectively. Participants may also contribute at their option to TIAA-CREF through individual retirement annuity contracts.

The University also maintains separate, self-administered, noncontributory pension plans for certain individuals, who were faculty employees at June 30, 1970 or non-faculty personnel at June 30, 1973. Substantially all benefits previously earned under these plans are paid directly by the University and amounted to approximately \$36,518 and \$44,528 in 2012 and 2011, respectively. The unfunded, actuarially determined liability utilizing an average interest assumption of 6.0 and 6.5 percent in 2012 and 2011, respectively, for benefits earned under these plans was approximately \$180,898 and \$211,318 at June 30, 2012 and 2011, respectively, and is included in accrued liabilities in the accompanying statements of financial position. The net periodic pension benefit cost included as income in the statements of activities amounted to \$30,420 and \$37,160 in 2012 and 2011, respectively.

Note 9. Other Postretirement Benefit Plans

In addition to the University's defined contribution retirement plan, the University has two defined benefit postretirement plans covering most salaried employees. One plan provides medical and prescription drug benefits, and the second provides life insurance benefits. The postretirement health care and prescription drug plan is contributory; with retiree contributions adjusted annually, and contain other cost-sharing features such as deductibles and coinsurance. The accounting for health care and prescription drug plan anticipates future cost-sharing changes to the written plan that are consistent with the University's expressed intent to increase the retiree contribution rate annually for the expected general inflation rate for that year. The University's policy is to pay the cost of retirees' postretirement health care and drug benefit claims as incurred and to pay the premiums to the life insurance plan for participants on an annual basis. Therefore, the plan is unfunded.

Antioch University

Notes to Financial Statements

Note 9. Other Postretirement Benefit Plans (Continued)

In accordance with FASB guidance, a summary of the changes in the benefit obligation and the resulting funded status of the University's postretirement benefit plans are as follows:

The accumulated postretirement benefit obligation (APBO) was as follows at June 30:

	2012	2011
Retirees	\$ 184,077	\$ 189,059
Fully eligible active plan participants	1,063,237	971,152
Other active plan participants	865,217	805,445
	<u>\$ 2,112,531</u>	<u>\$ 1,965,656</u>

The following table sets forth the plan's change in benefit obligation for the year ended June 30:

	2012	2011
Benefit obligation at beginning of year	\$ 1,965,656	\$ 1,915,223
Service cost	133,389	119,057
Interest cost	105,888	102,895
Estimated benefits paid	(81,933)	(90,025)
Actuarial gain	(10,469)	(81,494)
Benefit obligation at end of year	<u>\$ 2,112,531</u>	<u>\$ 1,965,656</u>

The following table sets forth the plan's funded status at June 30:

	2012	2011
Benefit obligation, end of year	\$ (2,112,531)	\$ (1,965,656)
Fair value of assets, end of year	-	-
Unfunded status, end of year	<u>\$ (2,112,531)</u>	<u>\$ (1,965,656)</u>

The statements of financial position recognizes a liability of \$2,112,531 and \$1,965,656 for the years ended June 30, 2012 and 2011, respectively, and is included accrued benefit liabilities on the statement of financial position.

Antioch University

Notes to Financial Statements

Note 9. Other Postretirement Benefit Plans (Continued)

Postretirement expense recognized in the statements of activities consists of the following components for the year ended June 30:

	2012	2011
Service cost of benefits earned	\$ 133,389	\$ 119,057
Interest cost on liability	105,888	102,895
Recognition of net gain	(27,892)	(21,823)
Net periodic postretirement benefit cost	<u>\$ 211,385</u>	<u>\$ 200,129</u>

Items not yet recognized as a component of net periodic postretirement expense as of June 30:

	2012	2011
Unrecognized net gain	<u>\$ 430,173</u>	<u>\$ 447,596</u>

The weighted-average discount rate used in determining the APBO was 4.25% and 5.50% at June 30, 2012 and 2011, respectively. The weighted-average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care-cost trend rate) is 9% for 2012 and 2011, and is assumed to decrease ½ percent per year to 5.0% until 2020 and remain at that level thereafter.

A one percentage point change in assumed health care cost trend rates would have had the following effects in fiscal year 2012:

	1% Increase	1% Decrease
Total of service and interest cost	\$ 18,823	\$ (16,419)
Postretirement benefit obligation	\$ 77,461	\$ (68,848)

Estimated future benefit payments reflecting anticipated service, as appropriate, are expected to be paid as follows:

2013	\$ 65,597
2014	\$ 78,672
2015	\$ 92,886
2016	\$ 102,338
2017	\$ 117,947
2018-2022	\$ 772,481

Antioch University

Notes to Financial Statements

Note 10. Lease Commitments

Certain of the University's education centers lease their facilities. These leases are non-cancelable operating agreements for varying periods through 2021, with renewal options for additional periods in some cases. The University generally pays real estate taxes, insurance and specified maintenance costs. In May 2012, the University entered into an operating agreement to lease computer equipment. Future minimum rentals on non-cancelable leases are as follows:

2013	\$ 2,539,899
2014	1,966,263
2015	895,720
2016	896,239
2017	767,221
Thereafter	2,574,909
	<u>\$ 9,640,251</u>

Rental expense for the years ended June 30, 2012 and 2011 was \$3,742,926 and \$2,567,814, respectively.

Note 11. Endowment Funds

The University's endowment consists of approximately 24 individual donor restricted endowment funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

Interpretation of Relevant Law

Ohio's version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) became effective June 1, 2009. The University has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Beginning June 1, 2009, the portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the University in a manner consistent with the standard prudence prescribed by UPMIFA. In accordance with UPMIFA, the University will consider the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and appreciation of investments
- (6) Other resources of the University
- (7) The investment policies of the University

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the University to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature reduced unrestricted net assets at June 30, 2012 and 2011 by \$0 and \$48,037, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred during the year.

Antioch University

Notes to Financial Statements

Note 11. Endowment Funds (Continued)

Return Objectives and Risk Parameters

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the University must hold in perpetuity. Under this policy, as approved by the Board of Governors, the endowment assets are invested in a manner that is intended to grow in excess of the spending rate in a conservative manner. The University expects its endowment funds, over time, to provide a target return of approximately 7.5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified, periodically rebalanced, asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The University has a policy of appropriating for distribution each year 5% of the moving twelve quarter average value of the endowment, for those funds whose market value is 90% or greater than historic dollar value, as determined at the end of each quarter, and will be incorporated in the following quarter's distribution as income available to programs. For funds which have a market value greater than 80%, but less than 90% of historic dollar value only 2.5% will be appropriated. For funds whose market value is less than 80% of historic dollar value, no funds shall be appropriated. As of July 1, 2012, this policy was revised to allow for a distribution of 3.5% for funds with a market value of greater than 90% of historic dollar value, and 1.5% for funds which have a market value greater than 80%, but less than 90% of historic dollar value. In establishing this policy the University considered the long-term expected return on its endowment. Accordingly, over the long term, the University expects the current spending policy to allow its endowment to grow at an average of 3% annually. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund as of June 30:

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment	\$ -	\$ 3,557,098	\$ 3,920,771	\$ 7,477,869
Board designated endowment	304,150	-	-	304,150
Total	\$ 304,150	\$ 3,557,098	\$ 3,920,771	\$ 7,782,019

	2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment	\$ (48,037)	\$ 3,414,072	\$ 3,886,911	\$ 7,252,946
Board designated endowment	297,028	-	-	297,028
Total	\$ 248,991	\$ 3,414,072	\$ 3,886,911	\$ 7,549,974

Antioch University

Notes to Financial Statements

Note 11. Endowment Funds (Continued)

Changes in endowment net assets for the year ended June 30:

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning Balance at June 30, 2011	\$ 248,991	\$ 3,414,072	\$ 3,886,911	\$ 7,549,974
Investment return:				
Net investment income	8,419	211,851	-	220,270
Net appreciation	52,748	45,797	-	98,545
Total investment return	310,158	3,671,720	3,886,911	7,868,789
Gifts	-	-	33,860	33,860
Amounts allocated for spending	(6,008)	(114,622)	-	(120,630)
Ending Balance at June 30, 2012	\$ 304,150	\$ 3,557,098	\$ 3,920,771	\$ 7,782,019

	2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning Balance at June 30, 2010	\$ (384,342)	\$ 197,143	\$ 3,702,787	\$ 3,515,588
Investment return:				
Net investment income	231	14,873	-	15,104
Net appreciation	484,192	3,254,724	-	3,738,916
Total investment return	100,081	3,466,740	3,702,787	7,269,608
Gifts	150,000	-	184,124	334,124
Amounts allocated for spending	(1,090)	(52,668)	-	(53,758)
Ending Balance at June 30, 2011	\$ 248,991	\$ 3,414,072	\$ 3,886,911	\$ 7,549,974

Note 12. Nature and Amount of Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30:

	2012	2011
Instruction	\$ 82,465	\$ 104,131
Research	2,250	-
Public service	317,392	381,893
Academic support	1,006,477	324,948
Student services	2,210	1,244
Institutional support	5,980,858	6,254,366
Scholarships	796,228	783,468
Construction	62,320	429,842
	\$ 8,250,200	\$ 8,279,892

Antioch University

Notes to Financial Statements

Note 13. Nature and Amount of Permanently Restricted Net Assets

Permanently restricted net assets are restricted to the following purposes at June 30:

	2012	2011
Institutional support	\$ 2,882,082	\$ 2,866,795
Scholarships	1,039,214	1,020,641
Loans	407,614	406,526
	<u>\$ 4,328,910</u>	<u>\$ 4,293,962</u>

Note 14. Net Assets Released From Restrictions

Temporarily Restricted

Net assets were released from donor-imposed restrictions by incurring expenditures satisfying the restricted purpose or by occurrence of other events specified by the donors for the years ended June 30 as follows:

	2012	2011
Purpose restricted contributions for:		
Instruction	\$ 23,949	\$ 30,974
Public service	325,570	208,788
Academic support	37,541	24,712
Student services	2,381	1,270
Institutional support	523,779	363,188
Scholarships	135,814	133,695
Construction	1,089,610	378,953
Total net assets released from restriction	<u>\$ 2,138,644</u>	<u>\$ 1,141,580</u>

Note 15. Functional Expenses

The functional classification of expenses is as follows:

	2012	2011
Educational and program services	\$ 54,945,232	\$ 57,791,536
Management and general	16,108,602	12,227,853
Fundraising	2,261,439	2,613,408
Total functional expenses	<u>\$ 73,315,273</u>	<u>\$ 72,632,797</u>

Note 16. Conditional Asset Retirement Obligations

The University has recorded conditional asset retirement obligations (ARO) of approximately \$200,764. These conditional ARO's relate to the University's legal obligation to perform asbestos remediation prior to renovation or demolishing property containing the substance. The liability is included in other accrued liabilities on the statements of financial position, net of a discount at a 2.4% and 4.1% discount rate as of June 30, 2012 and 2011, respectively, and a 2.4% and 3.6% inflation rate, respectively.

Antioch University

Notes to Financial Statements

Note 17. Discontinued Operations

The assets and liabilities of the College to be disposed are as follows at June 30:

	<u>2012</u>	<u>2011</u>
Beneficial interest in split interest agreements	\$ 321,872	\$ 465,866
Investments	-	731,249
Total assets	<u>\$ 321,872</u>	<u>\$ 1,197,115</u>
Other accrued liabilities	<u>\$ 321,872</u>	<u>\$ 1,197,115</u>
Total liabilities	<u>\$ 321,872</u>	<u>\$ 1,197,115</u>

Note 18. Commitment and Contingencies

The University is subject to claims and lawsuits in the ordinary course of its business. In the opinion of management, the University has adequate legal defenses and/or adequate insurance coverage for such matters. If not insured, management believes that such matters will not, in the aggregate, have a materially adverse impact on the University's financial position, results of future operations and cash flow.

38 *SM*



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

Nicholas A. Toumpas
Commissioner

Maggie Bishop
Director

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 www.dhhs.nh.gov

May 10, 2013

*Side Source
100% Federal*

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Children, Youth & Families to enter into a **sole source** Agreement with Antioch University New England, vendor number 177687-B004, to provide project evaluation services, in an amount not to exceed \$200,742 effective June 5, 2013 or date of Governor and Executive Council approval, whichever is later, through June 30, 2014. Funds to support this request are available in the following account in State Fiscal Year 2013 and funds for State Fiscal Year 2014 are anticipated to be available 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.

05-95-95-958010-0833 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:COMMISSIONER, COMMUNITY BASED CARE SERVICES, SYSTEM TRANSFORMATIONS FOR YOUTH

<u>Class/Object</u>	<u>Class Title</u>	<u>Activity Code</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Total</u>
102-500732	Contracts for Program Services	95800833	\$28,047	\$ 0	\$28,047

05-95-49-490510-2984 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:DIV OF COMMUNITY BASED CARE SERVICES, COMMUNITY BASED CARE SERVICES, ST4Y GRANT

<u>Class/Object</u>	<u>Class Title</u>	<u>Activity Code</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Total</u>
102-500732	Contracts for Program Services	49052984	\$ 0	\$172,695	\$172,695
		Total	\$28,047	\$172,695	\$200,742

EXPLANATION

This request is **sole source** because the Substance Abuse and Mental Health Services Administration (SAMHSA) required states applying for the System of Care Expansion Implementation grant to identify specific participating organizations in their grant submissions. Antioch University New England is uniquely qualified to conduct the

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 10, 2013
Page 2

required evaluation of this project Faculty at Antioch's Center for Research on Psychological Practice (CROPP) have a comprehensive understanding of the Systems of Care and Wraparound models and have experience in conducting large-scale evaluations of community-based projects. Based largely on the qualifications of this organization and after a thorough review, SAMHSA awarded the State of New Hampshire a System of Care Implementation grant.

This grant, known in New Hampshire as FAST Forward, is being used to develop a sustainable system of care infrastructure for children and youth with serious emotional, behavioral and/or mental health challenges and their families. The infrastructure development will expand the array of supports for children/ and youth who are involved with two or more systems and who are at risk of out of home placement.

Antioch University New England will serve as the project evaluator. The evaluation will measure the project activities that have been designed to improve infrastructure and services for children and youth with serious emotional disturbance, and their families, at the systems, community/practice and youth/family levels. CROPP subscribes to a utilization-focused evaluation perspective designed to maximize applicability, use, and impact of evaluation findings by engaging stakeholders in ongoing cycles of feedback, reflection and improvement. CROPP will also provide all required data to the national evaluation in accordance with SAMHSA specification.

Should the Governor and Executive Council determine to not authorize this agreement, the momentum to transform our children's mental health service delivery system will be significantly impaired. The progress and collaborative work to date of public systems, family organizations and community providers will likely dissipate as a return to the status quo manifests itself. The opportunity to improve outcomes for New Hampshire's children and youth, and their families, may be lost

Area served: statewide.

Source of funds: 100% Federal Funds.

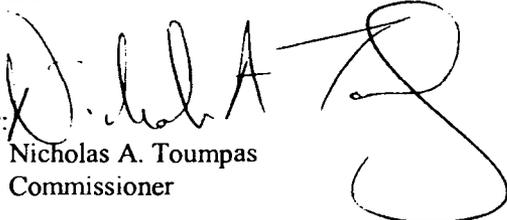
In the event Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Maggie Bishop
Director

Approved by:



Nicholas A. Toumpas
Commissioner

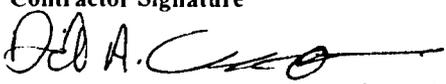
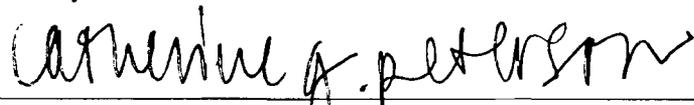
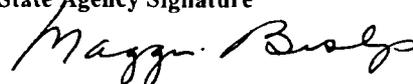
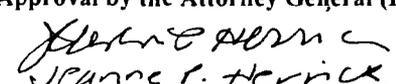
Subject: _____

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Division of Children, Youth & Families		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name Antioch University New England		1.4 Contractor Address 40 Avon Street Keene, NH 03431-3516	
1.5 Contractor Phone Number 603-357-3122	1.6 Account Number 05-95-958010-08330000-102-500731	1.7 Completion Date 6/30/14	1.8 Price Limitation \$200,742
1.9 Contracting Officer for State Agency Maggie Bishop		1.10 State Agency Telephone Number 603-271-4440	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory David Caruso, Ph.D., President	
1.13 Acknowledgement: State of <u>New Hampshire</u> , County of <u>Cheshire</u> On <u>4.29.13</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 		CATHERINE G. PETERSON NOTARY PUBLIC STATE OF NEW HAMPSHIRE My commission expires Oct. 26, 2016	
1.13.2 Name and Title of Notary or Justice of the Peace			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Maggie Bishop, Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  <u>Jeanne P. Herrick, Attorney</u> On: <u>4 Jun. 2013</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

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

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

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

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

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

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

Contractor Initials: OAC
Date: 7/25/13

8. EVENT OF DEFAULT/REMEDIES.

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

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

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

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

14. INSURANCE.

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

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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

ANTIOCH UNIVERSITY

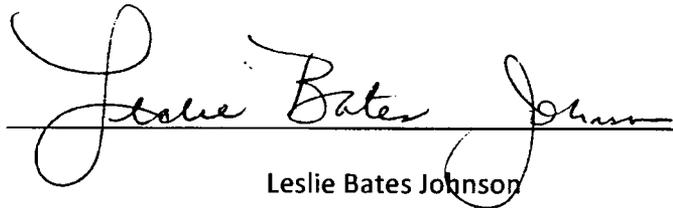
Board of Governors | 888 Dayton Street, Suite 102, Yellow Springs, OH 45387 | 937.769.1345 | www.antioch.edu

CERTIFICATION **(Corporation with Seal)**

I, Leslie Bates Johnson, Assistant Secretary of Antioch University do hereby certify that:

- (1) I am the duly elected and acting Assistant Secretary of the Antioch University, an Ohio corporation;
- (2) I am duly authorized to issue certificates;
- (3) The attached is a true, accurate and complete copy of the resolution adopted by the Board of Governors of Antioch University at a meeting of the said Board of Governors held on the 8th day of June, 2012, which meeting was duly held in accordance with Ohio law and the by-laws of the Corporation. The resolution elects David Caruso as Vice President of the Corporation and President of Antioch University New England, an operating division of Antioch University;
- (4) The attached resolution has not been revoked, annulled or amended in any manner whatsoever, and remains in full force and effect as of the date hereof;
- (5) Antioch University does business as Antioch University New England and desires to 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 Antioch University dba Antioch University New England of certain evaluation work for a New Hampshire state grant;
- (6) That David Caruso, Ph.D., in his capacity as Vice President of the Corporation and President of Antioch University New England, is authorized on behalf of this Corporation to enter into the said contract with the State of New Hampshire 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 he may deem necessary, desirable or appropriate to accomplish the same;
- (7) That the signature of said David Caruso, Vice President of the Corporation and President of Antioch University New England, affixed to any instrument or document described in or contemplated by the aforementioned contract with the State of New Hampshire shall be conclusive evidence of the authority of said officer to bind this Corporation thereby.

IN WITNESS WHEREOF, I have hereunto set my hand as the Assistant Secretary of the Corporation and have affixed its corporate seal this 10th day of May, 2013.



Leslie Bates Johnson

STATE OF OHIO

COUNTY OF CLARK

On this 10th day of May 2013, before me, Rodney G. Perks, the undersigned officer, personally appears Leslie Bates Johnson, who acknowledged herself to be the Assistant Secretary of Antioch University, a corporation, and that she as such Assistant Secretary, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by herself as Leslie Bates Johnson.



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

RODNEY G PERKS
NOTARY PUBLIC - OHIO
MY COMMISSION EXP.
MARCH 16, 2018



Notary Public / Justice of the Peace

My Commission Expires: 3-16-18

ANTIOCH UNIVERSITY

Board of Governors | 888 Dayton Street, Suite 102, Yellow Springs, OH 45387 | 937.769.1345 | www.antioch.edu

Approved 

RESOLUTION 6.8.12:11

RESOLVED, that the following persons be elected to serve as officers for the fiscal year commencing July 1, 2012:

President and Secretary of the Corporation and Chancellor of the University.....	Felice Nudelman
Vice President of the Corporation and Vice Chancellor of the University/CFO.....	J. Pari Sabety
Vice President of the Corporation and President of Antioch New England.....	David Caruso, PhD
Vice President of the Corporation and Interim President of Antioch University Midwest.....	Ellen Hall, PhD
Vice President of the Corporation and President of Antioch University Seattle.....	Cassandra Manuelito-Kerkvliet, PhD
Vice President of the Corporation and Interim President of Antioch University Los Angeles.....	Tex Boggs, PhD
Vice President of the Corporation and President of Antioch University Santa Barbara.....	Nancy Leffert, PhD
Assistant Secretary of the Corporation.....	Leslie Bates

NH Department of Health and Human Services

EXHIBIT A
SCOPE OF SERVICES

Antioch University New England

1. The work described herein will be performed by, or under the supervision of, Drs. James Fauth and George Tremblay, who were selected due to their blend of community-based evaluation and content expertise, and who contributed the evaluation design to the successful FAST Forward grant application. The major evaluation domains are organized below in three elements: Infrastructure Performance Measures; Service Performance Measures; Mapping Patterns of Care Allocation, Outcomes, and Expenditures.

2. Infrastructure Performance Measures

Data to be collected directly by evaluation team.

- a. The number and percent of family/youth involved with evaluation oversight (annual).
- b. Community readiness/capacity for wraparound (baseline)
- c. The number and nature of collaborations developed among agencies (annual).

Data to be collected by program staff and delivered to evaluation team for analysis and reporting.

- d. The number of policy changes, including financing (annual).
- e. The amount of pooled or braided funding (annual).
- f. The number of credentialing changes (annual).
- g. The number of stakeholders exposed to mental health awareness messages through program activities (annual).
- h. The number and percent of family/youth on the Steering Committee (annual).

3. Service Performance Measures

Data to be collected directly by evaluation team.

- a. Fidelity of team practices to the Wraparound model via the WFAS Team Observation Measure for 20% of wraparound teams (ongoing).
- b. Fidelity of case documentation via the WFAS Documentation Review Measure for 20% of all cases (ongoing).
- c. Extent to which the youth/family discharge profile fits the specified discharge criteria for 20% of all cases after discharge (ongoing).
- d. Quality of high frequency community services via the Level of Evidence-Based Practice Implementation Index (ongoing).

Data to be collected by program staff and delivered to evaluation team for analysis and reporting.

- a. Family/caregiver self report of fidelity to the wraparound process via the Wraparound Fidelity Index (6-months post intake and annually thereafter).
- b. The child's needs and strengths via the CANS.
- c. The required NOMS indicators (Functioning, Education, Crime and Criminal Justice, Stability in Housing, Social Support/Connectedness, Perception of Care) via the CMHS Child Outcome Measures for Discretionary Programs (Baseline, every 6 months, discharge)

Contractor Initials: DAC

Date: 4/25/12

NH Department of Health and Human Services

**EXHIBIT A
SCOPE OF SERVICES**

Antioch University New England

4. Mapping Patterns of Care Allocation, Outcomes, and Expenditures

The contractor will monitor and convert into readily understandable metrics and graphic displays the allocation of service types, density of service delivery, and distribution of those services by family characteristics. This information, along with a data dashboard of all performance indicators, will be updated quarterly and shared with program stakeholders to support responsive decision-making.

5. The contractor will enter all required data into the TRAC (Transformational Accountability) web system within 7 days of receipt of data.

Contractor Initials: DAK

Date: 4/25/13

NH Department of Health and Human Services

**EXHIBIT B
PAYMENT METHOD**

Antioch University New England

1. DHHS shall pay the Contractor an amount not to exceed \$200,742 for the services provided pursuant to Exhibit A – Scope of Services.
2. The contract period is effective May 1, 2013 or upon approval of Governor and Executive Council, whichever is later, through June 30, 2014.
3. The Contractor must complete, and DHHS must approve and accept, all required services as outlined in the Exhibit A – Scope of Services prior to the release of payments to the Contractor.
4. Any work performed by the Contractor prior to the Effective Date of the contract will not be allowable for reimbursement under this contract.
5. The contractor must submit quarterly invoices for reimbursement that clearly identify the amount requested and the services performed during that time period.
 - a. The invoice must include, in addition to the amount, a detailed account of the work performed, and a list of all deliverables completed during that prior month, as outlined in the Exhibit A – Scope of Services.
 - b. The invoice must separately identify any work and amount attributable and performed by an approved subcontractor, if applicable.
 - c. The difference between the Contractor's federally negotiated indirect cost rate of 45.8% of modified total direct costs and the included rate of 26% shall constitute the Contractor's required matching funds. With each Quarterly invoice to DHHS, the Contractor shall state the dollar amount of such match for that Quarter, and certify that the match was not derived from federal funds or used as match against any other state contract or federal program. The Contractor will further certify that this match was allocated to cover Facilities and Administrative costs associated with the delivery of the Services provided in Exhibit A - Scope of Services.
6. For work performed by any approved subcontractor, the Contractor must include the original invoice (or copy of) received from the subcontractor when submitting the Contractor's monthly invoice to DHHS. The Contractor is responsible for reviewing, approving and paying subcontractors directly. DHHS is not responsible for reimbursement to the Contractor.
7. DHHS shall make payment to the Contractor within thirty (30) days of receipt of each invoice.

Contractor Initials: DHe

Date: 4/25/13

NH Department of Health and Human Services

**EXHIBIT B
PAYMENT METHOD**

Antioch University New England

8. The Contractor may amend the contract budget through line item increases, decreases or the creation of a new line item provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval from the State. Notwithstanding paragraph 18 of the P-37, any amendment limited to the terms of this paragraph does not require additional approval of Governor and Executive Council.
9. Contractor invoices must be submitted to:
DHHS, Office of Human Services
Division of Children, Youth & Families
129 Pleasant Street, Concord, NH 03301
ATTN: Erica Ungarelli
10. This Agreement is funded by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

CFDA#: 93.243
Federal Agency: U.S. Department of Health and Human Services
Program Title: System of Care Expansion Implementation
Amount: \$200,742

Contractor Initials: DAE
Date: 4/25/13

NH Department of Health and Human Services

STANDARD EXHIBIT C

SPECIAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15. Prior Approval and Copyright Ownership:

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

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

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

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

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

- Monitor the subcontractor's performance on an ongoing basis
- Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- DHHS shall review and approve all subcontracts.

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

SPECIAL PROVISIONS – DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

NH Department of Health and Human Services

**Exhibit C-1
ADDITIONAL SPECIAL PROVISIONS**Antioch University New England

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

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

2. This contract shall commence upon Governor and Executive Council approval or May 1, 2013, whichever is later, and terminate on June 30, 2014, with the option for two (2) 1-year extensions of the term of the contract to be exercised by mutual agreement by the parties, upon acceptable performance of the Scope of Services, availability of funding, and subsequent approval by the Governor and Executive Council.
3. Replace Paragraph 15 of Exhibit C with the following:

Prior Approval and Copyright Ownership:

The parties agree to joint ownership of the project products and outcomes and to collaborate, insofar as possible, on presentations, publications and other efforts to disseminate the findings to the scientific community and the general public. Antioch University New England Center for Research on Psychological Practice (CROPP) agrees to submit for the Department of Health and Human Services review 30 days prior to the publication of any report, or the public disclosure of any information that has been provided to the Center for Research on Psychological Practice by the Department of Health and Human Services pursuant to this agreement.

4. Paragraph 9.2 of the General Provisions of this agreement relating to data access is deleted.