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Virginia M. Barry, Ph.D.
Commissioner of Education
Tel. 603-271-3144



Paul Leather
Deputy Commissioner of Education
Tel. 603-271-3801

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
Concord, N.H. 03301
FAX 603-271-1953
Citizens Services Line 1-800-339-9900

March 15, 2013

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

Solo Source

Requested Action

Authorize the New Hampshire Department of Education to enter into a sole source contract with North Country Education Services, Gorham, NH (Vendor Code 154707) to develop and provide training and technical assistance to local education agencies in their region under the State Personnel Development Grant (SPDG), upon Governor and Council approval for the period effective May 1, 2013 through June 30, 2014 in an amount not to exceed \$109,500.00. These are 100% Federal funds.

Funding is available as with the authority to adjust encumbrances in each of the State fiscal years through the Budget office if needed and justified.

Funding for this request is available as follows:	FY2013	FY2014
06-056-56-5625210-41070000-102-500731	\$36,500.00	\$73,000.00

Authorize the Department of Education to exercise a renewal option on this contract for up to three additional fiscal years, pending legislative approval of the next two (2) successive biennial budgets, in accordance with the grant award, subject to contractor's acceptable performance of the terms therein, and subject of Governor and Council approval.

Explanation

The New Hampshire Department of Education received a \$3.85 million (\$770,000.00 per year for 5 years) State Personnel Development Grant from the U.S. Department of Education, Office of Special Education Programs. The SPDG proposal is targeted to increase the number of students with disabilities graduating from high school who are college and career ready, through the implementation of evidence based transition

practices. Our ambitious proposal targets four strategies to achieve this goal: (1) increasing student competency through increased use of Extended Learning Opportunities (ELOs), (2) enhanced transition planning and increased transition planning opportunities/practices, (3) greater family – school engagement, and (4) sustaining practices through our state Institutes of Higher Education (IHEs), regional education intermediaries, a transition Community of Practice, and the use of technology. These strategies are aimed at school districts, parents, regional professional development intermediaries, Vocational Rehabilitation, IHEs, and other community members.

The Office of Special Education Programs requires a comprehensive evaluation detailed within the grant that measures the short-term, intermediate and long-term outcomes and impacts of the grant initiatives. The Evaluation assesses the degree to which the NH SPDG meets its goals and objectives, as well as the established federal performance goals and objectives. The evaluation will be ongoing and formative to provide for data-based decision making and planning mid-course corrections.

New Hampshire was awarded this grant with the provision that the partners identified in our proposal would be funded to assist the Department of Education to meet the goals and objectives of the grant. These partners were required to be highly qualified entities already engaged in professional development in the grant areas and in agreement to expand these services. The OSEP required partners and their services as detailed in the grant include Evergreen Evaluation and Consulting Inc., Strafford Learning Center, Monadnock Developmental Services, North Country Education Services, Granite State Independent Living, Parent Information Center, Keene State College, Institute on Disability, and QED Foundation. Therefore, no competitive bid process was established.

North Country Education Services (NCES) is educational service provider for the northern region of the State providing professional development and other educational services. NCES already provides high quality professional development to their region thus adding a focus on college and career readiness training to their offerings to enhance the supports and services provided to northern LEAs and families. Therefore, North Country Education Services, as a SPDG partner will bring to this grant the research, knowledge and expertise to conduct the following grant activities:

- Increase capacity of regional transition infrastructure for Professional Development (PD)
- Participate in the NH Leadership Team (LT) and Evaluation Work Group
- Develop and provide training and coaching on Extended Learning Opportunities (ELOs) and evidenced-based transition practices
- Assist NH LT with the LEA recruitment
- Attend Participatory Adult Learning Styles training
- Support family engagement training
- Coordination of PD training and coaching at regional intermediary

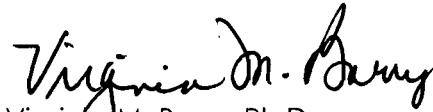
Her Excellency Governor Margaret Wood Hassan
And the Honorable Council
Page Three
March 15, 2013

- Serve as coaches to LEAs implementing ELOs and transition planning/parent engagement strategies
- Support LEAs in developing their PD plans
- Collect training and coaching implementation data, and intervention fidelity data
- Assist in the development of coaching fidelity instrument
- Contribute training and coaching material, evaluation instruments and assessments, and resource materials to Transition Resource Portal
- Participate in training on how to use the Transition Resource Portal for training and coaching with LEAs

The grant was awarded to the New Hampshire Department of Education for five years. Therefore, we are including an option for renewal for three additional fiscal years to cover this grant commitment to accomplish the approved goals, objectives and activities.

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

Respectfully submitted,

A handwritten signature in black ink, reading "Virginia M. Barry". The signature is fluid and cursive, with the first name "Virginia" being the most prominent part.

Virginia M. Barry, Ph.D.
Commissioner of Education

VMB/alj

Attachments

Subject:

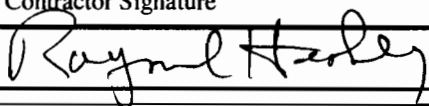
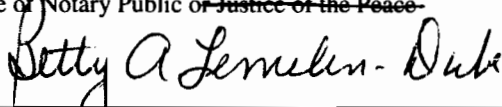
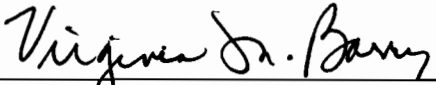
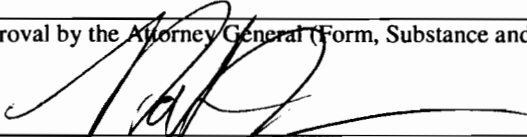
NH SPDG Regional Intermediary to Provide Training and TA to LEAs

FORM NUMBER P-37 (version 1/09)

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 Education		1.2 State Agency Address 101 Pleasant Street, Concord, NH 03301	
1.3 Contractor Name North Country Education Services		1.4 Contractor Address 300 Gorham Hill Road, Gorham, NH 03581	
1.5 Contractor Phone Number (603) 466-5437	1.6 Account Number See Exhibit B	1.7 Completion Date June 30, 2014	1.8 Price Limitation 109,500.00
1.9 Contracting Officer for State Agency Santina Thibedeau, Administrator, Special Education		1.10 State Agency Telephone Number (603) 271-6693	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Raymond Healey, Executive Director	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Coes</u> On <u>February 27, 2013</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]		BETTY A. LEMELIN-DUBE, Notary Public My Commission Expires November 17, 2015	
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 Virginia M. Barry, Ph.D., Commissioner of Education	
1.16 Approval of the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>2/11/13</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

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

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

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

7. PERSONNEL.

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

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

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

14. INSURANCE.

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

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual

intent, and no rule of construction shall be applied against or in favor of any party.

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

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

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

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

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

RT
2-26-13

EXHIBIT A

Scope of Services

North Country Education Services, as a regional intermediary, will develop and provide training and technical assistance to Local Education Agencies (LEAs) in their region under the NH State Personnel Development Grant (SPDG) to accomplish the grant goals, objectives, activities and outcomes over the course of the 5-year grant period.

The contractor will:

- Increase capacity of regional transition infrastructure for Professional Development (PD)
- Participate in the NH Transition CoP
- Participate in the NH Leadership Team (LT) monthly meetings
- As part of NH LT, participate in Evaluation WG by attending monthly state-level coaching meetings.
- Develop and provide training and coaching on Extended Learning Opportunities (ELOs) and evidenced-based transition practices
- Assist NH LT with the LEA recruitment
- Attend Participatory Adult Learning Styles training
- Participate in NH LT and the Transition Planning work group to review LEA current transition practices, and develop and implement a PD plan that will impact the local need
- Support family engagement training
- Coordination of PD training and coaching at regional intermediary
- Serve as coaches to LEAs implementing ELOs and transition planning/parent engagement strategies
- Support LEAs in developing their PD plans
- Meet with LEA transition liaisons to review the LEA PD plans once months, as well as fostering ongoing contact to stay in close communication
- Collect training and coaching implementation data, and intervention fidelity data
- Assist in the development of coaching fidelity instrument
- Contribute training and coaching material, evaluation instruments and assessments, and resource materials to be posted on Transition Resource Portal
- Participate in training on how to use the Transition Resource Portal for training and coaching with LEAs

Initials: 
Date: 2-27-13

EXHIBIT B

Estimated Budget

Budget (through June 30, 2014)

Account Number: 06-056-56-5625210-41070000-102-500731

	<u>FY2013</u>	<u>FY2014</u>
<u>Personnel</u>		
Personnel	\$15,600	\$54,600
Fringe Benefit	\$ 1,746	\$ 4,956
Travel	<u>\$ 1,920</u>	<u>\$ 3,040</u>
Total Personnel	\$19,266	\$62,596
Supplies	\$ 3,023	\$ 117
Contractual	\$ 8,633	\$ 3,380
Other	\$	\$
Equipment	\$ 2,500	\$ 0
Phone	\$ 135	\$ 540
Copying	\$ 90	\$ 360
Data	<u>\$ 150</u>	<u>\$ 600</u>
Total Other	\$ 2,875	\$ 1,500
Total Direct Costs	\$33,797	\$67,593
Indirect costs 8.0% of total direct costs	<u>\$ 2,703</u>	<u>\$ 5,407</u>
Total Contract	\$36,500	\$73,000

Limitation of Price: This contract will not exceed \$109,500.00

Method of Payment

Payment will be made upon receipt of monthly invoices as described above, which are supported by a summary of activities that have taken place in accordance with the terms of the contract. If otherwise, correct and acceptable, payment will be made for 100% of the expenditures. Line items in this budget may be adjusted, one to the other, within +/- 10% of the indicated amount but in no case can the total budget exceed the price limitation. Invoices with summary of activities will be submitted to:

Mary Steady, SPDG Director
Department of Education
Bureau of Special Education
SPDG
101 Pleasant Street
Concord, NH 03301

OK
2-27-13

Initials: RB
Date: 2-22-13

EXHIBIT C

Special Provisions

none

Initials: RL
Date: 7-13

Principal Staff and Salaries

	FY 2013	FY2014
Regional PD Intermediary Trainer/Coach		
Person to be determined (52 days FY 13, 182 FY 14)	15,600	54,600
Secretarial support (Lisa Blais)	845	3380
Contracted services – administrative (Lori Langlois)	7,788	0

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 North Country Education Services Agency is a New Hampshire nonprofit corporation formed October 29, 1971. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 14th day of March A.D. 2013

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

William M. Gardner
Secretary of State

Certificate of Authority

I, Annemarie Platt, Clerk/Secretary of North Country Education Services Agency do hereby certify that :

- (1) I maintain and have custody of and am familiar with the seal and minute books of the corporation;
- (2) I am authorized to issue certificates with respect to the contents of such books and to affix such seal to such certificate;
- (3) The following (is a) (are) true and complete cop(y)(ies) of the resolution(s) adopted by the board of directors of the corporation at a meeting of that board on October 17, 1996, which meeting was held in accordance with the law of the state of incorporation and the by-laws of the corporation:

The Board of Directors may authorize any officer or officers, or any employee in conjunction with one or more officers, in the name of and on behalf of the Corporation to enter into any contract or execute and deliver any instrument or sign checks, drafts, or other orders for payment of money or notes or other evidence of indebtedness, and such authority may be general or it may be confined to specific instances; and unless specifically authorized by the Board of Directors, no officer or Director shall have the power or authority to bind the Corporation by any contract or engagement, to pledge its credit, or to render it financially liable for any purpose or in any amount.

- (4) The following is a true and complete copy of a by-law adopted at a (shareholder)(organizational) meeting on May 20, 2010.

Motion: to certify, as of June 1, 2010, Ray Healey, Executive Director of NCES, is authorized to sign all forms and to enter into contracts or agreements with the State of NH Department of Education made by B.Labs. Second by K.Shyne.

Motion carried: all in favor.

- (5) The foregoing resolution(s) and by-law are in full force and effect, unamended, as of the date hereof; and
- (6) The following person(s) lawfully occupy the office(s) indicated below:

<u>Paul MacMillan</u>	President
<u>Corinne Cascadden</u>	Vice President
<u>Annemarie Platt</u>	Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand as the Clerk/Secretary of the Corporation this 27th day of February, 2013.

(Corporate Seal if any)

Annemarie Platt
Clerk/Secretary

(If the corporation has no seal, the Clerk/Secretary shall acknowledge the certificate before an authorized officer below)

STATE OF NEW HAMPSHIRE

COUNTY OF Coos

On February 27, 2013, before the undersigned officer personally appeared the person identified in the foregoing certificate, know to me (or satisfactorily proven) to be the Clerk/Secretary of the corporation identified in the foregoing certificate, and acknowledge that she executed the foregoing certificate.

In witness whereof I hereunto set my hand and official seal.

Betty A Lemelin Dube
Notary Public/Justice of the Peace

BETTY A. LEMELIN-DUBE, Notary Public
My Commission Expires November 17, 2015

CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex³) is organized under the New Hampshire Revised Statutes Annotated, Chapter 5-B, Pooled Risk Management Programs. In accordance with those statutes, its Trust Agreement and bylaws, Primex³ is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex³ is entitled to the categories of coverage set forth below. In addition, Primex³ may extend the same coverage to non-members. However, any coverage extended to a non-member is subject to all of the terms, conditions, exclusions, amendments, rules, policies and procedures that are applicable to the members of Primex³, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex³ Board of Trustees. The Additional Covered Party's per occurrence limit shall be deemed included in the Member's per occurrence limit, and therefore shall reduce the Member's limit of liability as set forth by the Coverage Documents and Declarations. The limit shown may have been reduced by claims paid on behalf of the member. General Liability coverage is limited to Coverage A (Personal Injury Liability) and Coverage B (Property Damage Liability) only. Coverage's C (Public Officials Errors and Omissions), D (Unfair Employment Practices), E (Employee Benefit Liability) and F (Educator's Legal Liability Claims-Made Coverage) are excluded from this provision of coverage.

The below named entity is a member in good standing of the New Hampshire Public Risk Management Exchange. The coverage provided may, however, be revised at any time by the actions of Primex³. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

This Certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend, or alter the coverage afforded by the coverage categories listed below.

Participating Member:		Member Number:	Company Affording Coverage:	
North Country Education Services North Country Education Services Foundation 300 Gorham Hill Road Gorham, NH 03581		953	NH Public Risk Management Exchange - Primex ³ Bow Brook Place 46 Donovan Street Concord, NH 03301-2624	

Type of Coverage	Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	Limits - NH Statutory Limits May Apply, If Not:	
☒ General Liability (Occurrence Form)	7/1/2012	7/1/2013	Each Occurrence	\$ 5,000,000
☒ Professional Liability (describe)			General Aggregate	\$ 5,000,000
☐ Claims Made ☐ Occurrence			Fire Damage (Any one fire)	\$
			Med Exp (Any one person)	\$
☒ Automobile Liability Deductible Comp and Coll: \$1,000 ☐ Any auto	7/1/2012	7/1/2013	Combined Single Limit (Each Accident)	\$5,000,000
			Aggregate	\$5,000,000
☒ Workers' Compensation & Employers' Liability	7/1/2012	7/1/2013	☒ Statutory	
			Each Accident	\$2,000,000
			Disease - Each Employee	\$2,000,000
			Disease - Policy Limit	\$
☒ Property (Special Risk includes Fire and Theft)	7/1/2012	7/1/2013	Blanket Limit, Replacement Cost (unless otherwise stated)	Deductible: \$1,000

Description: Proof of Primex Member coverage only.

CERTIFICATE HOLDER:	Additional Covered Party	Loss Payee	Primex³ - NH Public Risk Management Exchange
			By: Tammy Denver
Department of Education Bureau of Special Education 101 Pleasant Street Concord, NH 03301			Date: 2/27/2013 tdenver@nhprimex.org
			Please direct inquiries to: Primex³ Risk Management Services 603-225-2841 phone 603-228-3833 fax

North Country Education Services

Executive Board Committee FY 2012-13

Ernie Angelicola

Member at Large – Personnel Member

Cheryl Baker

Plymouth State University

Robert Bellavance

Member at Large

Paul Bousquet

Superintendent – SAU #20

Corinne Cascadden

Superintendent – SAU #3
Board VP, Personnel and Policy

Greg Corrigan

Representative- SAU #20

Harry Fensom

Superintendent - SAU #36

Richard Pike

Superintendent – Blue Mtn Sch. District

Annemarie Platt

Member at Large- Personnel Member

Kay Soucy

Member at Large
SAU #7

Bernard Keenan

Member at Large

Bruce Labs

Superintendent SAU #23 – Personnel Member

Carl Ladd

Superintendent SAU #58– Finance Member

Paul MacMillan

Superintendent –SAU #35- Board President

Judy McGann

Superintendent- SAU #68

Tom McGuire

Superintendent – SAU #77– Policy Member

Robert Mills

Superintendent - SAU #7– Finance Member

Greg Placy

SAU#7 Representative

Kevin Shyne

Member at Large

Keith Pfeifer

Superintendent – SAU 84
Finance Member

The Board Members Serve without Compensation.

Updated 12.05.12

JOB DESCRIPTION

Secondary Transition Coordinator/Coach

North Country Education Services (NCES) is one of four intermediaries participating in the NH State Personnel Development Grant under the NH Department of Education Bureau of Education. As part of this project, NCES has immediate opening for a **Secondary Transition Coordinator/Coach**. This individual would be responsible developing and sustaining the skills of regional school district personnel and families (working intensively with one district per year) to increase the number of students with disabilities graduating from high school that are college and career ready.

Preferred experience/knowledge in all of the following:

- special education at the high school level
- adult services for individuals with disabilities including:
 - employment
 - community mental health
 - area agency (developmental disability system)
 - benefits
- extended-learning opportunities and/or work-based learning
- parent, family, student engagement
- transition planning, including Indicator 13 & 14 knowledge

With the expectation of being able to provide high quality professional development that includes training and coaching to school personnel, training will be provided in:

- Participatory Adult Learning Styles (PALs)
- Extended Learning Opportunities (ELOs)
- Transition best practices
- Parent involvement

This individual would:

- serve as a member of the Leadership Team for the overall project, attending at least monthly meetings of this group (likely in Concord, NH)
- the ability to collaborate with other intermediaries and various stakeholders to accomplish the grant goals, objectives and activities
- participate all training provided through this project with the intent of providing future training
- work with the project evaluators and meet all necessary reporting requirements

Individual should be a self-starter, organized, comfortable with facilitation and possess strong communication skills.

NORTH COUNTRY EDUCATION
SERVICES AGENCY

FINANCIAL STATEMENTS
With Independent Auditor's Report Thereon

JUNE 30, 2012 and 2011

NORTH COUNTRY EDUCATION SERVICES AGENCY

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The Mercier Group

A Professional Corporation

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL PRESENTATION

To the Members of the Board of Directors
North Country Education Services Agency
Gorham, New Hampshire

We have audited the accompanying statements of financial position the North Country Education Services Agency as of June 30, 2012 and 2011 and the related statements of activities and cash flows for the years then ended as listed in the table of contents. These financial statements are the responsibility of the Agency'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 that are generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Country Education Services Agency, 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 generally accepted accounting principles.

Paul J. Mercier, Jr. cpa for

The Mercier Group, a professional corporation
December 26, 2012

Financial Statements

Exhibit A
NORTH COUNTRY EDUCATION SERVICES AGENCY
Statements of Financial Position
June 30, 2012 and 2011

All numbers are expressed in American Dollars

	<u>2012</u>	<u>2011</u>
ASSETS		
CURRENT ASSETS		
Cash	3,585	219,279
Investments	283,637	304,908
Accounts receivable	174,589	137,678
Prepaid expenses	-	50
	<u>461,811</u>	<u>661,915</u>
RESTRICTED CASH	<u>22,608</u>	<u>22,608</u>
PROPERTY AND EQUIPMENT		
Land	35,000	35,000
Buildings	609,967	609,967
Equipment	335,161	538,864
Less: accumulated depreciation	(617,548)	(773,008)
	<u>362,580</u>	<u>410,823</u>
	<u>846,999</u>	<u>1,095,346</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current:		
Line of credit	31,725	-
Current maturities of long-term debt:		
Mortgage Note Payable	14,319	13,486
Accounts payable	7,065	6,313
	<u>53,109</u>	<u>19,799</u>
Long-term, <i>less current maturities</i>		
Mortgage Note Payable	130,168	144,486
	<u>183,277</u>	<u>164,285</u>
NET ASSETS		
Unrestricted:		
Board designated for building improvements	32,707	32,682
Undesignated:		
Net investment in property & equipment	218,093	252,850
Available to operations	340,746	549,077
Temporarily restricted:		
For loan guarantees	22,608	22,608
For program purposes	49,568	73,844
	<u>663,722</u>	<u>931,061</u>
	<u>846,999</u>	<u>1,095,346</u>

See accompanying notes to the financial statements.

Exhibit B
NORTH COUNTRY EDUCATION SERVICES AGENCY

Statements of Activities
For the Fiscal Years Ending June 30, 2012 and 2011

All amounts are expressed in American dollars

	2012			2011		
	Temporarily			Temporarily		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
OPERATING SUPPORT, REVENUES AND RECLASSIFICATIONS						
Federal grants		188,364	188,364		253,433	253,433
Local government agencies		201,412	201,412		423,235	423,235
Other non-profit agencies		71,481	71,481		920	920
Corporate donations		-	-		2,608	2,608
Program service revenue	1,132,342		1,132,342	1,012,752		1,012,752
Member assessments	87,837		87,837	95,578		95,578
Net assets released from restriction:						
Satisfaction of program restrictions	485,533	(485,533)	-	733,917	(733,917)	-
	1,705,712	(24,276)	1,681,436	1,842,247	(53,721)	1,788,526
OPERATING EXPENSES						
Program Services:						
NCES Programs	1,240,033		1,240,033	1,107,137		1,107,137
LESCN	-		-	28,651		28,651
NH Children in Nature	15,293		15,293	26,467		26,467
Adult Learner Services	135,649		135,649	119,348		119,348
ABE College Transitions	6,251		6,251	5,878		5,878
Migrant	52,715		52,715	43,673		43,673
Mini-grants	-		-	383		383
Alcohol Abuse and Prevention	-		-	196,666		196,666
SI, TA & PD Initiative	23,732		23,732	-		-
COOS Teachers Tillotson	5,660		5,660	746		746
Film Festival	4,468		4,468	34,934		34,934
Coos Teachers FY'11	36,758		36,758	9,021		9,021
RTI	17,738		17,738	68,797		68,797
Collaboration	28,573		28,573	-		-
Summer Summit Initiative	4,493		4,493	-		-
Performance Pathways	-		-	2,100		2,100
College Prep	-		-	18,575		18,575
Roy Foundation	2,200		2,200	1,800		1,800
SAHE	90,258		90,258	73,254		73,254
TLC	56,935		56,935	35,724		35,724
	1,720,756	-	1,720,756	1,773,154	-	1,773,154
Support services:						
Management and general	242,851		242,851	239,840		239,840
	242,851	-	242,851	239,840	-	239,840
	1,963,607	-	1,963,607	2,012,994	-	2,012,994
NET OPERATING INCOME(LOSS)	(257,895)	(24,276)	(282,171)	(170,747)	(53,721)	(224,468)
NONOPERATING SUPPORT, REVENUES AND RECLASSIFICATIONS						
Investment income(loss)	14,832		14,832	11,331		11,331
Increase(decrease) in fair value of investments	-		-	59,821		59,821
Insurance claim	-		-	-	1,281	1,281
	14,832	-	14,832	71,152	1,281	72,433
CHANGE IN NET ASSETS	(243,063)	(24,276)	(267,339)	(99,595)	(52,440)	(152,035)
NET ASSETS - BEGINNING	834,609	96,452	931,061	934,204	148,892	1,083,096
NET ASSETS - ENDING	591,546	72,176	663,722	834,609	96,452	931,061

See accompanying notes to the financial statements.

Exhibit C
NORTH COUNTRY EDUCATION SERVICES AGENCY
Statements of Functional Expenses
For the Fiscal Years Ending June 30, 2012 and 2011

All amounts are expressed in American dollars

	2012			2011		
	Regular Educational Programs	Management and General	Total	Regular Educational Programs	Management and General	Total
EXPENSES						
Salaries and other compensation	791,105	159,067	950,172	796,191	154,175	950,366
Payroll taxes	62,959	13,108	76,067	65,280	12,660	77,940
Employee benefits	262,840	31,885	294,725	202,178	30,828	233,006
Staff development	21,788	-	21,788	20,396		20,396
Contracted services	254,213	5,800	260,013	391,405	5,800	397,205
Occupancy	36,396	8,840	45,236	46,289	12,072	58,361
Administrative expenses	62,004	6,072	68,076	48,164	6,085	54,249
Travel	38,493	3,738	42,231	46,579	3,242	49,821
Materials & supplies	137,116	-	137,116	86,795		86,795
Non-depreciable Equipment	10,802	-	10,802	24,943		24,943
Depreciation	36,182	12,061	48,243	37,504	12,501	50,005
Interest	6,858	2,280	9,138	7,430	2,477	9,907
	1,720,756	242,851	1,963,607	1,773,154	239,840	2,012,994

See accompanying notes to financial statements.

Exhibit D
NORTH COUNTRY EDUCATION SERVICES AGENCY

Statements of Cash Flows
For the Fiscal Years Ending June 30, 2012 and 2011

All amounts are expressed in American dollars

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of public support and revenues over (under) expenditures	(267,339)	(152,035)
<i>Adjustments to reconcile to net cash provided by (used in) operating activities:</i>		
Depreciation Expense	48,243	50,005
Change in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(36,911)	84,734
Prepaid expenses	50	4,112
Increase (decrease) in liabilities:		
Accounts payable	752	2,386
	<u>(255,205)</u>	<u>(10,798)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (Purchase)Disposal of Fixed Assets	-	(36,039)
Net (Purchases)Sale of Investments	21,271	(29,915)
	<u>21,271</u>	<u>(65,954)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in line of credit	31,725	
Principal payments - mortgage notes	(13,485)	(12,702)
	<u>18,240</u>	<u>(12,702)</u>
NET INCREASE (DECREASE) IN CASH	(215,694)	(89,454)
CASH - BEGINNING	241,887	331,341
CASH - ENDING	<u>26,193</u>	<u>241,887</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for interest	<u>9,138</u>	<u>9,907</u>

See accompanying notes to the financial statements.

NORTH COUNTRY EDUCATION SERVICES AGENCY

Notes to Financial Statements

June 30, 2012 and 2011

NATURE OF OPERATIONS

North Country Education Services Agency is a voluntary, not-for-profit corporation, incorporated under the laws of the State of New Hampshire (RSA 292) organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended. Its purpose is to provide member organizations and the persons served thereby, directly and indirectly, with educational, administrative and technological services, courses, facilities, and equipment generally and including, without thereby limiting such generality, educational consulting services and the coordination of services supplied by others, administrative and technological assistance, counselor and other specialized personnel, and specialized instruments, facilities and equipment. The degree of participation in and subscription to the services of the Agency by districts of the School Administrative Unit are determined by them individually. Membership in the organization is currently comprised of the 13 school administrative units and supervisory unions listed below. The management and controls of the affairs of this corporation are vested in and exercised by a Board of Directors consisting of thirteen (13) superintendents, or their designee, of the New Hampshire School Administrative Units 3, 7, 9, 20, 23, 35, 36, 58, 68, 77, 84, Vermont Blue Mountain Union SD and Vermont Cannan/Norton SD and one (1) school board member of each said School Administrative Units who shall be selected by their respective School Administrative Unit Board. Also included may be representatives from the following: the Director of Tri-County Community Action Program; the Director or designee of the North Country Region of the Granite State College; and the President or designee of the White Mountains Community College in Berlin, President or designee of Plymouth State University, and other organizations expressing interest in educational activities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation. The financial statements have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets based on the existence of absence of donor-imposed restrictions. In addition, the Agency is required to present a statement of cash flows.

Basis of Accounting. The Agency presents its financial statements on the accrual basis of accounting. Under this basis, exchange revenues and related accounts receivables are recognized when earned. Non-exchange revenues (contributions, donations, etc.) and related contributions receivables are recognized when received. Expenses and related payables are recognized when title to goods and services passes to the Agency.

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

NORTH COUNTRY EDUCATION SERVICES AGENCY

Notes to Financial Statements

June 30, 2012 and 2011

Cash and cash equivalents. Cash and cash equivalents consist of bank deposits held in checking and money market accounts and certificates of deposit. For purposes of reporting the statements of cash flows, if any, all highly liquid debt instruments purchased with a maturity of three months are considered to be cash equivalents.

Investments. Investments are accounted for according to Statement of Financial Accounting Standard (SFAS) No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

Prepaid Expenses. Disbursements made in advance of the receipt of goods and services are recorded as prepaid expenses in the statement of financial position.

Property and Equipment. All costs of property and equipment, and the fair value of donated assets in excess of \$1,000 and having an economic useful life of greater than one year are capitalized. Depreciation is computed by the straight-line method, beginning in the month of acquisition, at rates based on the following estimated useful lives:

	<u>Years</u>
Buildings	30
Equipment	5

While of considerable value to the Agency and its members, the Agency does not capitalize resource library materials. Because these materials are used a great deal and are being continually updated, the Agency has elected to treat these materials as expendable. The cost of purchased materials is therefore expended in the year of acquisition.

Deferred Revenue. Service charges received in advance of the year to which they apply are recorded as deferred revenue in the statement of financial position.

Public Support and Revenues. Substantially, all revenue is derived from contract fees from member school districts and grants awarded by government agencies. Revenues from this source are recognized on a monthly basis as services are invoiced. Secondary support is obtained from the rental of facilities, private donations, interest, dividends and capital gains on investments.

Functional Allocation of Expenses. The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Expenses are charged to each program based on direct costs incurred or estimated usage. Any program expenditures not directly chargeable are allocated to a program based on the direct charges. Annually, an indirect cost rate is established by the Agency and approved by the State of New Hampshire Department of Education for this purpose.

Accumulated Unpaid Vacation and Sick Pay. Vacation time is granted to full-time employees in amounts of 5 to 20 days per year, depending on positions held. Such vacation time must be used prior to September 1 of the following year. Sick leave is accumulated at the rate of 1 work

NORTH COUNTRY EDUCATION SERVICES AGENCY

Notes to Financial Statements

June 30, 2012 and 2011

day earned for every 20 days worked, not to exceed 12 days annually; total accumulation of sick leave may not exceed 70 days. Accumulated unpaid vacation and sick pay is not accrued by the Agency. However, estimated accumulation does not exceed a normal year's allowance.

Income Taxes. The Agency is organized exclusively for tax-exempt charitable and educational purposes within the meaning of Section 501(a) and Section 501(c)(3) of the Internal Revenue Code of 1954, as amended and Chapter 262 of the New Hampshire Revised Statutes Annotated, as amended. The Agency is not a private foundation within the meaning of Internal Revenue Code Section 509(a). During the period of July 1, 2011 through June 30, 2012 had no unrelated business income and therefore, no provision for income taxes is made in the accompanying financial statements.

ASSETS

Deposits. All bank deposits as of June 30, 2012 and 2011 and substantially throughout the fiscal years then ended were fully insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by the pledging institution.

Investments. Investments, the fair value of which is measured at quoted prices in active markets for identical investments as of June 30, 2012 and 2011, include the following:

	<u>2012</u>	<u>2011</u>
New Hampshire Public Deposit Investment Pool	\$ 214	\$ 34,040
Mutual Funds	<u>283,423</u>	<u>270,868</u>
	<u>\$ 283,637</u>	<u>\$ 304,908</u>

The composition of investment return in the statement of activities for the years ended December 31, 2012 and 2011 were as follows:

	<u>2012</u>	<u>2011</u>
Unrestricted:		
Interest and dividends	\$ 2,277	\$ 11,331
Capital gain distributions	<u>12,555</u>	<u>59,821</u>
	<u>\$ 14,832</u>	<u>\$ 71,152</u>

New Hampshire Public Deposit Investment Pool. At this time, the Pool's investments are limited to short-term U.S. Treasury and U.S. Government Agency obligations, State of New Hampshire municipal obligations, certificates of deposit from A1/PI-rated banks, money market mutual funds (maximum of 20% of portfolio), overnight to 30-day repurchase agreements and reverse overnight repurchase agreements with primary dealers or dealer banks.

Under the terms of GASB Statement #31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Pool is considered to be a **2a7-like pool** which means that it has a policy that it will, and does operate in a manner consistent with the

NORTH COUNTRY EDUCATION SERVICES AGENCY

Notes to Financial Statements

June 30, 2012 and 2011

SEC's Rule 2a7 of the Investment Company Act of 1940. This rule allows SEC-registered mutual funds to use amortized cost rather than market value to report net assets to compute share prices if certain conditions are met. Therefore, the Agency reports its investments in the Pool at amortized cost, which equals the Pool's participation unit price.

Concentrations of credit and market risk. Financial instruments that potentially expose the Agency to *credit risk* consist primarily of bank deposits and investments in participation units of the New Hampshire Public Deposit Investment Pool. It is the Agency's policy to deposit monies in high quality financial institutions and to limit risk by maintaining deposits within the Federal Depository Insurance Limits (FDIC) whenever possible. The Agency has not experienced any losses on its cash deposit. *Market risk* is limited to fluctuations in the prices of mutual funds. Management monitors investments in high quality mutual funds and believes it is not exposed to significant market risk on those amounts. Each participation unit of the Pool is valued at one-dollar and the price there of does not fluctuate with the market values of underlying investments.

Accounts Receivable. Accounts Receivable at June 30, 2012 and 2011 include amounts due on various Federal, State, County and Local Government projects. All are considered to be collectible and no reserve for uncollected accounts has been established.

Risk Management. The Agency is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, and natural disasters. During the fiscal year, the Agency was a member of the following public-entity risk pools, currently operating as a common risk management and insurance programs for member school districts, school administrative units and similar government-supported agencies.

The *New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and P/C GROUP* are pooled risk management programs under RSA 5-B and RSA 281-A. The following is a summary of worker's compensation and property/liability coverages provided during the fiscal year by *Primex³*, which retained \$1,000,000 of each workers' compensation, \$500,000 for each liability loss and \$200,000 for each property loss. The Board has determined to retain the aggregate exposure and has allocated resources based on actuarial analysis for that purpose. A detail of coverages, contributions, credits or balances due are available from the Agency upon request.

The Member Participation Agreement permits *Primex³* to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. At this time, the Trust foresees no likelihood of an additional assessment for this or any prior year. Claims have not exceeded insurance coverage in any of the past years.

NORTH COUNTRY EDUCATION SERVICES AGENCY

Notes to Financial Statements

June 30, 2012 and 2011

Property and Equipment. A summary of changes in property and equipment for the fiscal years ended June 30, 2012 and 2011 are as follows:

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Land	\$ 35,000	\$ -	\$ -	\$ 35,000
Buildings	609,967	-	-	609,967
Equipment & Furnishings	538,864	-	-	538,864
	1,183,831	-	-	1,183,831
Less: Accumulated Depreciation	(773,008)	-	-	(773,008)
	<u>\$ 410,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 410,823</u>

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Land	\$ 35,000	\$ -	\$ -	\$ 35,000
Buildings	609,967	-	-	609,967
Equipment & Furnishings	502,825	36,039	-	538,864
	1,147,792	36,039	-	1,183,831
Less: Accumulated Depreciation	(723,003)	(50,005)	-	(773,008)
	<u>\$ 424,789</u>	<u>\$ (13,966)</u>	<u>\$ -</u>	<u>\$ 410,823</u>

LIABILITIES

Line of Credit. During fiscal years ended June 30, 2012 and 2011, the organization had available a \$100,000 line of credit secured by substantially all business property other than real estate. The note includes a variable interest rate equal to the Wall Street Journal Prime Rate plus 2%. Outstanding balances at June 30, 2012 and 2011 were \$31,725 and zero respectively.

Long-Term Debt. Long-term debt as of June 30, 2012 and 2011 is comprised of a mortgage note due to the Farmers Home Administration with interest at 6.00% per annum; monthly payments of \$1,884 are due through July 6, 2020. The note is secured by substantially all assets of the Agency. Aggregate principal maturities required on long-term debt as of June 30, 2012 and 2011 were as follows:

Year Ending June 30	2012	2011
2012	\$ -	\$ 13,486
2013	14,319	14,319
2014	15,203	15,203
2015	16,142	16,142
2016	17,138	17,138
2016-2021	81,684	81,684
	<u>\$ 144,486</u>	<u>\$ 157,972</u>

NORTH COUNTRY EDUCATION SERVICES AGENCY

Notes to Financial Statements

June 30, 2012 and 2011

Defined Benefit Pension Plan. Full-time employees participate in the State of New Hampshire Retirement System (the System), a multiple-employer contributory pension plan and trust established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State of New Hampshire are eligible and required to participate in the System. Full-time employees of political subdivisions, including counties, municipalities, districts and others, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The New Hampshire Retirement System (NHRS), a Public Employees Retirement System (PERS), is divided into two membership groups. By statute, Group I (employee and teacher) members contribute 7% of their salary to NHRS. Group II (police & fire) members contribute 11.5% and 11.8% respectively. While member rates are set by statute, employer rates are set by the NHRS Board of Trustees every two years after a biennial actuarial valuation is conducted using the *Entry Age Normal* actuarial method. Employer contributions are assessed at five different rates, one each for state employees, political subdivisions employees, teachers, police and fire. NHRS employers are required by the New Hampshire Constitution to pay 100% of the actuarial sound employer contribution rate as certified by the NHRS Board of Trustees to fully fund the pension plan and to pay down the retirement system's unfunded actuarial accrued liability over a closed amortization period. Currently, employer contribution rates for the period August 1, 2012 through June 30, 2012 are as follows:

<u>Group I:</u>	
Employees	8.80%
Teachers	11.30%
<u>Group II:</u>	
Police	19.95%
Fire	22.89%

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group, funding policies, vesting requirements, contribution requirements and plan assets available to pay benefits are disclosed in the System's annual report available from the New Hampshire Retirement System located at Regional Drive ~ Concord, NH 03301-8509.

The payroll for employees covered by the System for the year ended June 30, 2012, was \$924,850; the organization's total payroll was \$950,172. Contribution requirements for the year ended June 30, 2012, were as follows:

Employer Contributions	\$ 97,411
Employee Contributions	64,740
	<u>\$ 162,151</u>

NORTH COUNTRY EDUCATION SERVICES AGENCY

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June 30, 2012 and 2011

The payroll for employees covered by the System for the year ended June 30, 2011, was \$906,522; the organization's total payroll was \$953,335. Contribution requirements for the year ended June 30, 2011, were as follows:

State of New Hampshire	\$ 16,601
Employer Contributions	75,976
Employee Contributions	45,326
	<u>\$ 137,903</u>

NET ASSETS

Temporarily Restricted Net Assets.

Restricted For Program Purposes. Net assets restricted by grantors for program purposes include the following:

	<u>2012</u>	<u>2011</u>
VHS/Distance Learning	\$ 13,165	\$ 18,271
NH Child in Nature		15,293
ALS Under 18	243	1,322
COOS Teachers – Tillotson grant	21,579	
COOS Teachers – FY'11		36,758
Film Festival	4,134	
Collaboration- Tillotson grant	7,067	
Roy Foundation		2,200
Globe	3,380	
	<u>\$ 49,568</u>	<u>\$ 73,844</u>

Restricted for Loan Guarantees. In connection with its mortgage agreement to the Farmers Home Administration, the Agency has agreed to set aside \$188 monthly until a total reserve account balance amounting to \$22,608 has accumulated. When necessary, disbursements may be used for payments due on the note if sufficient funds are not available from the general accounts of the Agency. In addition, with the prior written consent of the U.S. Government, funds may also be withdrawn for paying the cost of repairing or replacing any damage to the mortgaged facilities which may have been caused by catastrophe, or for making extensions or improvements to the facility. In the event of any withdrawals, the Agency is obligated to resume monthly payments to the account as indicated above until the \$22,608 has again accumulated. Reserve for loan guarantees as of June 30, 2012 and 2011 amounted to \$22,608 and \$22,608 respectively.

Board Designated Net Asset. Amounts designated by the Board of Director for specific future activities or programs as of June 30, 2012 were as follows:

	<u>2012</u>	<u>2011</u>
Building Improvements	<u>\$ 32,707</u>	<u>\$ 32,682</u>

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June 30, 2012 and 2011

SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Grants. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally State oversight agencies or the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the Agency. The amount which may be disallowed by the grantor cannot be determined at this time although the Agency expects such amounts, if any, to be immaterial.