



STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF ECONOMIC & HOUSING STABILITY

129 PLEASANT STREET, CONCORD, NH 03301  
603-271-9474 1-800-852-3345 Ext. 9474

Fax: 603-271-4230 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

Jeffrey A. Meyers  
Commissioner

Mark F. Jewell  
Director

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January 8, 2019

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

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Office of Human Services, Division of Economic and Housing Stability, to enter into **sole source** agreements, with the vendors listed below, for the provision of community based services and anti-poverty programs through the Community Services Block Grant, in an amount not to exceed \$4,423,139, effective upon Governor and Executive Council approval through September 30, 2019. 100% Federal Funds.

Funds to support this request are available in State Fiscal Years 2019 and 2020, with the ability to adjust encumbrances between state fiscal years through the Budget Office without Governor and Executive Council approval, if needed and justified.

**05-095-045-450010-71480000-102-500731-45012170. HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: TRANSITIONAL ASSISTANCE, DIV OF FAMILY ASSISTANCE, CSBG**

Vendor	Vendor Code	Address	Grant Amount
Community Action Partnership of Strafford County	177200-B004	61 Locust Street, Dover, NH 03835	\$317,530
Community Action Programs Belknap and Merrimack Counties	177203-B003	2 Industrial Park Drive Concord, NH 03301	\$421,592
Southern NH Services	177198-B006	40 Pine Street Manchester, NH 03108	\$1,906,268
Southwestern Community Services	177511-R001	63 Community Way Keene, NH 03431	\$326,688
Tri-County Community Action Program	177195-B009	30 Exchange Street Berlin, NH 03670	\$615,318
		<b>Subtotal:</b>	<b>\$3,587,396</b>

**05-095-042-423010-80040000-102-500731. HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, HOMELESS & HOUSING, CSBG**

Vendor	Vendor Code	Address	Grant Amount
Community Action Partnership of Strafford County	177200-B004	61 Locust Street, Dover, NH 03835	\$96,528
Community Action Programs Belknap and Merrimack Counties	177203-B003	2 Industrial Park Drive Concord, NH 03301	\$115,500
Southern NH Services	177198-B006	40 Pine Street Manchester, NH 03108	\$362,211
Southwestern Community Services	177511-R001	63 Community Way Keene, NH 03431	\$101,460
Tri-County Community Action Program	177195-B009	30 Exchange Street Berlin, NH 03670	\$160,044
		<b>Subtotal:</b>	<b>\$835,743</b>
		<b>TOTAL:</b>	<b>\$4,423,139</b>

**SEE ATTACHED FISCAL DETAILS**

**EXPLANATION**

These agreements are **sole source** because the five (5) Community Action Agencies are the only entities eligible to receive Community Services Block Grant funding in accordance with Public Law 105 – 285—October 27, 1998 – Community Opportunities, Accountability, and Training and Educational Services Act of 1998.

The purpose of this request is to provide funding to community programs at the local level to ensure eligible participants receive community based services that include, but are not limited to; health, food and financial assistance, employment services, financial planning, and other necessary services. These services allow individuals and families to receive the assistance needed in order to meet their basic needs.

The vendors provide services to individuals at the local level that will assist them to become or remain financially and socially independent. Services provided have a major impact on poverty in the community. Activities and services are designed to assist low-income participants, including the elderly poor.

As referenced in the Exhibit C-1, paragraph 3, of this contract, this Agreement has the option to extend for up to three (3) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

Some services provided may be 'stop gap' measures that are used in instances when an individual or family does not financially qualify for government assistance. The household may be in need of temporary assistance in order get through a heating season or a temporary emergency that would otherwise result in the individual or family becoming eligible for full government assistance.

These vendors administer a variety of programs including, but not limited to:

- Fuel assistance.
- Utility assistance.
- Neighbor Helping Neighbor programs.

- Rental assistance.
- Security deposits.
- Senior Community Service Employment Programs.
- Head Start.
- Supplemental Foods Women, Infants and Children (WIC).
- Weatherization.
- Senior Housing.

In addition to the services provided to individuals, the vendors must provide an annual community action plan to the Department that describes the agency's delivery system; linkages to fill identified gaps; and coordination with other public and private resources. The vendors also conduct an annual community needs assessment. The Community Services Block Grant is administered by a tripartite board that participates in the development, planning, implantation and evaluation of the agency and its programs.

The amount of funding provided to each community program is calculated using a formula that is based on poverty demographics available from the US Census Bureau. According to the Community Services Block Grant State Plan, these funds are to be used primarily for the provision of assistance to individuals and families whose incomes are at or below the 125<sup>th</sup> percentile of the poverty level.

Should the Governor and Executive Council not approve this request, funding to community programs, statewide, may be limited. Limiting funds at the community level will directly, and negatively, impact the citizens of New Hampshire. With heating and food costs rising on a daily basis, the federal funding for community programs is needed in order to deliver the assistance needed to eligible citizens, statewide.

Area served: Statewide

Source of Funds: 100% Federal Funds, Catalog of Federal Domestic Assistance (CFDA) #93.569 Agency: Department of Health and Human Services; Office: Administration for Children and Families; Office of Community Services, Community Services Block Grant.

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

Respectfully submitted,



Jeffrey A. Meyers  
Commissioner

## FISCAL DETAILS

### Community Action Partnership of Strafford County (Vendor Code 177200-B004)

SFY	Class/Object	Class Title	Activity Code	Amount
2019	102-500731	Contracts for Program	45012170	\$317,530
2020	102-500731	Contracts for Program	45012170	\$96,528
			<b>Sub-total</b>	<b>\$414,058</b>

### Community Action Programs Belknap and Merrimack Counties (Vendor Code 177203-B003)

SFY	Class/Object	Class Title	Activity Code	Amount
2019	102-500731	Contracts for Program	45012170	\$421,592
2020	102-500731	Contracts for Program	45012170	\$115,500
			<b>Sub-total</b>	<b>\$537,092</b>

### Southern NH Services (Vendor Code 177198-B006)

SFY	Class/Object	Class Title	Activity Code	Amount
2019	102-500731	Contracts for Program	45012170	\$1,906,268
2020	102-500731	Contracts for Program	45012170	\$362,211
			<b>Sub-total</b>	<b>\$2,268,479</b>

### Southwestern Community Services (Vendor Code 177511-R001)

SFY	Class/Object	Class Title	Activity Code	Amount
2019	102-500731	Contracts for Program	45012170	\$326,688
2020	102-500731	Contracts for Program	45012170	\$101,460
			<b>Sub-total</b>	<b>\$428,148</b>

### Tri-County Community Action Program (Vendor Code 177195-B009)

SFY	Class/Object	Class Title	Activity	Amount
2019	102-500731	Contracts for Program	45012170	\$615,318
2020	102-500731	Contracts for Program	45012170	\$160,044
			<b>Sub-total</b>	<b>\$775,362</b>
			<b>Grand Total</b>	<b>\$4,423,139</b>

Subject: Community Services Block Grant (CSBG)/SS-2019-BHS-02-COMMU-01

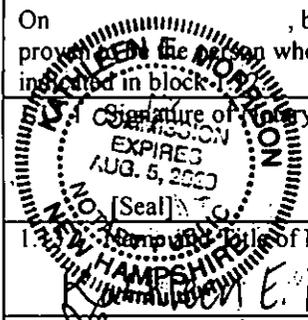
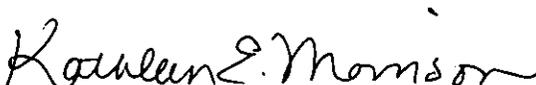
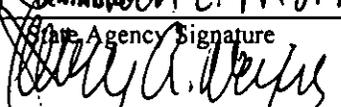
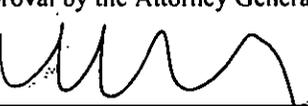
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**I. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Community Action Partnership of Strafford County		1.4 Contractor Address 577 Central Avenue Suite 10 Dover, NH 03820	
1.5 Contractor Phone Number 603-435-2500	1.6 Account Number 05-095-045-450010-71480000-102-500731-45012170	1.7 Completion Date September 30, 2019	1.8 Price Limitation \$414,058
1.9 Contracting Officer for State Agency Nathan D. White, Director Bureau of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Betsey Andrews Parker, CEO	
1.13 Acknowledgement: State of _____, County of _____  On _____, 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 _____.			
Signature of _____, Notary Public or Justice of the Peace  			
Title of Notary or Justice of the Peace Kathleen E. Morrison, Notary			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Jeffrey St. Neppes	
Date: 1.15.19			
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: 1/22/19			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

Subject: Community Services Block Grant (CSBG/VSS-2019-BHS-02-COMMU-01)

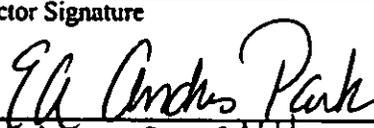
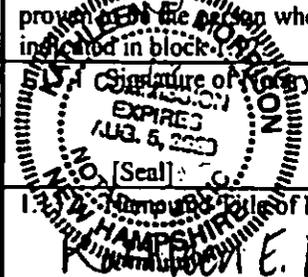
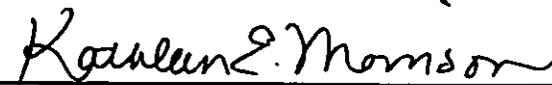
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1.9 Contracting Officer for State Agency Nathan D. White, Director Bureau of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Betsy Andrews Parker, CEO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Strafford</u> On <u>January 2, 2019</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.			
1.14 Signature of Notary Public or Justice of the Peace  			
1.15 Name and Title of Notary or Justice of the Peace Kathleen E. Morrison, Notary			
1.14 State Agency Signature Date:		1.15 Name and Title of State Agency Signatory	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: _____ On: _____			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**

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

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

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

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

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

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

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

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

**7. PERSONNEL.**

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

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

Agreement. This provision shall survive termination of this Agreement.

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

#### 8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

#### 9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

#### 14. INSURANCE.

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

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

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

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

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

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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

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

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

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

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

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

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

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



Exhibit A

## Scope of Services

### 1. Provisions Applicable to All Services

- 1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. In accordance with the provisions of The Community Services Block Grant Act (42 U.S.C. et seq) as amended by Public Law 105-285 of October 27, 1998, also known as the Community Opportunities Accountability, Training and Educational Act of 1998 or the Coats Human Services Reauthorization Act of 1998; and any amendments thereto, the Contractor agrees to deliver Community Services to low-income individuals at or below 125 percent of the poverty income guidelines.
- 1.4. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 biennia.
- 1.5. For the purposes of this Agreement, the Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.0. et seq.

### 2. Scope of Services

- 2.1. The Contractor shall remain a designated Community Services Block Grant (CSBG) entity by conforming to the requirements of the Acts referred to in Section 1 and any amendments thereto, which includes but is not limited to:
  - 2.1.1. Providing an annual community action plan, which shall describe:
    - 2.1.1.1. The service delivery system;
    - 2.1.1.2. Linkages to fill identified gaps; and
    - 2.1.1.3. Coordination with other public and private resources, and innovative initiatives.
  - 2.1.2. Providing of an annual community-needs assessment;
  - 2.1.3. Providing of an independent annual "Single Audit Act" audit;



Exhibit A

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- 2.1.4. Participating in an annual performance measure system via the Annual Report;
  - 2.1.5. Participating in the Organizational Performance Standards;
  - 2.1.6. Administering CSBG through a tripartite board that participates in the development, planning, implementation, and evaluation of the program;
  - 2.1.7. Ensuring that cost and accounting standards of the Office of Management and Budget are in effect; and
  - 2.1.8. Informing custodial parents in single-parent families about child support services and refer eligible parents to child support offices.
- 2.2. The Contractor shall provide, on an emergency basis, services to counteract conditions of starvation and malnutrition.
- 2.3. The Contractor shall coordinate, establish linkages and form partnerships with governmental as well as other social services and antipoverty programs.



Exhibit B

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**Method and Conditions Precedent to Payment**

1. The State shall pay the Contractor an amount not to exceed the Form P-37, General Provisions, Block 1.8, Price Limitation, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. This Agreement is funded with funds from the Catalog of Federal Domestic Assistance, CFDA #93.569, Community Services Block Grant, Department of Health and Human Services, Administration for Children and Families.
3. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.
4. Payment for said services shall be made monthly as follows:
  - 4.1. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement.
  - 4.2. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month.
  - 4.3. Invoices must be completed, signed, dated and returned to the Department in order to initiate payment. The Contractor will keep detailed records of their activities related to DHHS-funded programs and services.
  - 4.4. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.
  - 4.5. Invoices must be submitted to:  
CSBG Coordinator  
Department of Health and Human Services  
Bureau of Housing Supports  
129 Pleasant Street  
Concord, NH 03301
  - 4.6. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.
5. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule, or regulation applicable to the services provided, or if the said services have not been completed in accordance with the terms and conditions of this Agreement.

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### SPECIAL PROVISIONS

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

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



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

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

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



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

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



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

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

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

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

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

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

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

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

**20. Contract Definitions:**

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

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**REVISIONS TO GENERAL PROVISIONS**

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
  4. **CONDITIONAL NATURE OF AGREEMENT.**  
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
  - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
  - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
  - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
  - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
  - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Renewal:**  
The Department reserves the right to extend this Agreement for up to three (3) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council.



**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

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

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

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

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

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

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

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

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

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

1/2/19  
Date

Contractor Name: Community Action Partnership of  
Stratford County  
GA And Parker  
Name: Betsey Andrews Parker  
Title: CEO



**CERTIFICATION REGARDING LOBBYING**

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

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

Programs (indicate applicable program covered):

- \*Temporary Assistance to Needy Families under Title IV-A
- \*Child Support Enforcement Program under Title IV-D
- \*Social Services Block Grant Program under Title XX
- \*Medicaid Program under Title XIX
- \*Community Services Block Grant under Title VI
- \*Child Care Development Block Grant under Title IV

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

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

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

Contractor Name:

1/2/19  
Date

*Betsy Andrews Parker*  
Name: Betsy Andrews Parker  
Title: CEO

Contractor Initials *EAP*  
Date 1/2/19



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

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

**INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and



information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

- 10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

**PRIMARY COVERED TRANSACTIONS**

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

**LOWER TIER COVERED TRANSACTIONS**

- 13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
  - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
  - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
- 14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name:

1/2/19  
Date

*Betsy Andrews Parker*  
Name: *Betsy Andrews Parker*  
Title: *CEO*

Contractor Initials *Eap*  
Date 1/2/19



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

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

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

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

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

Exhibit G

Contractor Initials

*EAP*

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

1/2/19

New Hampshire Department of Health and Human Services  
Exhibit G



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

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

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

Contractor Name:

1/2/19  
Date

Betsy Andrews Parker  
Name: Betsy Andrews Parker  
Title: CEO

Exhibit G

Contractor Initials EAP

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

Date 1/2/19



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

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

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name:

1/2/19  
Date

*Betsy Andrews Parker*  
Name: *Betsy Andrews Parker*  
Title: *EEO*

Contractor Initials *gap*  
Date 1/2/19



Exhibit I

**HEALTH INSURANCE PORTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

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

(1) **Definitions.**

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

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Exhibit I

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

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

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

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Exhibit I

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

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

**(3) Obligations and Activities of Business Associate.**

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

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

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

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Exhibit I

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

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

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1/2/19



Exhibit I

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

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

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

**(6) Miscellaneous**

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

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Exhibit I

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

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

Department of Health and Human Services  
 The State  
 \_\_\_\_\_  
*Jeffrey H. Meyers*  
 \_\_\_\_\_  
 Signature of Authorized Representative  
 \_\_\_\_\_  
*Jeffrey H. Meyers*  
 \_\_\_\_\_  
 Name of Authorized Representative  
 \_\_\_\_\_  
*Commissioner*  
 \_\_\_\_\_  
 Title of Authorized Representative  
 \_\_\_\_\_  
*1.16.19*  
 \_\_\_\_\_  
 Date

*Community Action Partnership of*  
 Name of the Contractor *Stratford County*  
 \_\_\_\_\_  
*EA Ann Parker*  
 \_\_\_\_\_  
 Signature of Authorized Representative  
 \_\_\_\_\_  
*Betsy Andrews Parker*  
 \_\_\_\_\_  
 Name of Authorized Representative  
 \_\_\_\_\_  
*CEO*  
 \_\_\_\_\_  
 Title of Authorized Representative  
 \_\_\_\_\_  
*1/2/19*  
 \_\_\_\_\_  
 Date



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

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

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

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

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

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

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

Contractor Name:

1/2/19  
Date

Elle Good Parker  
Name: Betsy Andrews Parker  
Title: CEO



**FORM A**

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

1. The DUNS number for your entity is: 099356586
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

\_\_\_\_\_ NO                       YES

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

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

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

\_\_\_\_\_ NO                       YES

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

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

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

Name: _____	Amount: _____



DHHS Information Security Requirements

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A. Definitions

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

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

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

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

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DHHS Information Security Requirements

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

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

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

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

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

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

## II. METHODS OF SECURE TRANSMISSION OF DATA

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

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Exhibit K

DHHS Information Security Requirements

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

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

**III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS**

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

A. Retention

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



Exhibit K

DHHS Information Security Requirements

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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

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



Exhibit K

DHHS Information Security Requirements

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



DHHS Information Security Requirements

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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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Exhibit K

DHHS Information Security Requirements

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

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

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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

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Exhibit K

DHHS Information Security Requirements

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

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

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

*Eap*

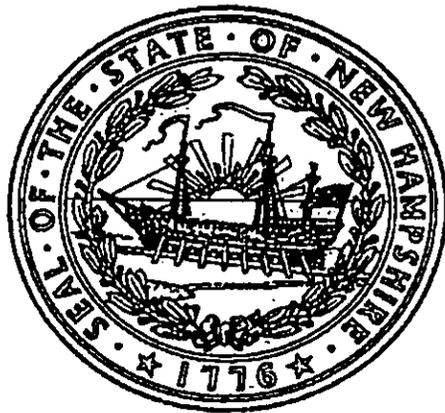
*1/2/19*

**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 COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 25, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 65583



IN TESTIMONY WHEREOF,  
I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 5th day of April A.D. 2017.

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

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

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

1. I am a duly elected Officer of Community Action Partnership of Strafford County.  
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of  
the Agency duly held on October 17, 2018.  
(Date)

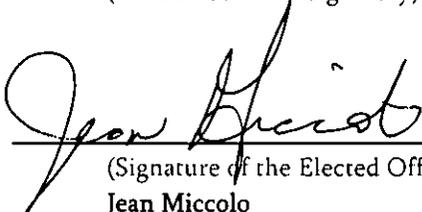
**RESOLVED:** That the Betsey Andrews Parker, Chief Executive Officer  
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of  
the 2<sup>nd</sup> day of January, 2019.  
(Date Contract Signed)

4. Betsey Andrews Parker is the duly elected Chief Executive Officer  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

  
(Signature of the Elected Officer)  
Jean Miccolo

STATE OF NEW HAMPSHIRE

County of Strafford

The forgoing instrument was acknowledged before me this 2<sup>nd</sup> day of January, 2019.

By Jean Miccolo  
(Name of Elected Officer of the Agency)

  
(Notary Public/Justice of the Peace)  
Kathleen E. Morrison



Commission Expires August 5, 2020



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
01/02/2019

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

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

<b>PRODUCER</b> CGI Business Insurance 171 Londonderry Turnpike Hooksett NH 03106		<b>CONTACT NAME:</b> Teri Davis <b>PHONE (A/C, No, Ext):</b> (866) 841-4600 <b>E-MAIL ADDRESS:</b> TDavis@CGIBusinessInsurance.com <b>FAX (A/C, No):</b> (603) 622-4618	
<b>INSURED</b> Community Action Partnership of Strafford County dba Strafford CAP : CAP of Strafford County Head Start PO Box 180 Dover NH 03821-1060		<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Hanover Insurance Company <b>INSURER B:</b> Eastern Alliance (fmr Great Falls) <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>	

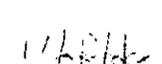
**COVERAGES**                      **CERTIFICATE NUMBER:** 18/19 Master                      **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEM L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			ZHVA192135	12/31/2018	12/31/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ Included Professional Liability \$ 1,000,000
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY			AWVA156930	12/31/2018	12/31/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist \$ 1,000,000
A	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			UHVA192136	12/31/2018	12/31/2019	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) if yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	01-0000133794-00	12/31/2018	12/31/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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

Workers Comp: 3A State: NH

<b>CERTIFICATE HOLDER</b> State of New Hampshire Contracts and Procurement; NH Dept of Health and Human Services 129 Pleasant St Concord NH 03301	<b>CANCELLATION</b> 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 
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## MISSION

To educate, advocate and assist people  
in Strafford County to help meet  
their basic needs and promote  
self-sufficiency



## VISION

Working to eliminate poverty in  
Strafford County

*Financial Statements*

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**COMMUNITY ACTION PARTNERSHIP OF**  
**STRAFFORD COUNTY**

**FOR THE YEARS ENDED  
DECEMBER 31, 2017 AND 2016  
AND  
INDEPENDENT AUDITORS' REPORTS**

*Leone,  
McDonnell  
& Roberts*  
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**DECEMBER 31, 2017 AND 2016**

**TABLE OF CONTENTS**

	<b><u>Page(s)</u></b>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statement of Activities	4
Statements of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7 - 13
Supplementary Information:	
Schedule of Expenditures of Federal Awards	14
Notes to Schedule of Expenditures of Federal Awards	15
Independent Auditors' Reports on Internal Control and Compliance	16 - 19
Schedule of Findings and Questioned Costs	20 - 21
Summary Schedule of Prior Audit Findings	22

To the Board of Directors of  
Community Action Partnership of Strafford County  
Dover, New Hampshire

## **INDEPENDENT AUDITORS' REPORT**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Community Action Partnership of Strafford County (a New Hampshire nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of cash flows, and notes to the financial statements for the years then ended, and the related statements of activities and functional expenses for the year ended December 31, 2017.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action Partnership of Strafford County as of December 31, 2017 and 2016, and its cash flows for the years then ended, and the changes in its net assets for the year ended December 31, 2017 in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Community Action Partnership of Strafford County's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 15, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2018, on our consideration of Community Action Partnership of Strafford County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Action Partnership of Strafford County's internal control over financial reporting and compliance.

*Leon, McDonnell & Roberts  
Professional Association*

June 21, 2018  
Wolfeboro, New Hampshire

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 361,179	\$ 517,916
Accounts receivable	1,094,461	1,191,955
Contributions receivable	115,800	-
Tax credits receivable	172,000	8,000
Inventory	11,532	8,724
Prepaid expenses	<u>9,609</u>	<u>19,677</u>
Total current assets	<u>1,764,581</u>	<u>1,746,272</u>
<b>NONCURRENT ASSETS</b>		
Security deposits	5,350	24,140
Property, net of accumulated depreciation	1,195,445	927,051
Other noncurrent assets	<u>12,500</u>	<u>12,500</u>
Total noncurrent assets	<u>1,213,295</u>	<u>963,691</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,977,876</u></b>	<b><u>\$ 2,709,963</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Demand note payable	\$ 105,377	\$ 72,673
Accounts payable	217,582	363,064
Accrued payroll and related taxes	137,448	141,753
Accrued compensated absences	100,965	79,490
Refundable advances	391,376	438,285
Other current liabilities	<u>20,789</u>	<u>-</u>
Total liabilities	<u>973,537</u>	<u>1,095,265</u>
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	1,260,844	1,204,103
Board designated	<u>307,315</u>	<u>307,315</u>
Total unrestricted	1,568,159	1,511,418
Temporarily restricted	<u>436,180</u>	<u>103,280</u>
Total net assets	<u>2,004,339</u>	<u>1,614,698</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 2,977,876</u></b>	<b><u>\$ 2,709,963</u></b>

See Notes to Financial Statements

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
<b>CHANGE IN NET ASSETS</b>				
<b>REVENUES AND OTHER SUPPORT</b>				
Grant revenue	\$ 7,454,864	\$ -	\$ 7,454,864	\$ 7,531,691
Fees for service	333,487	-	333,487	258,396
Rent revenue	19,472	-	19,472	11,718
Public support	147,071	342,260	489,331	216,229
In-kind donations	735,069	-	735,069	577,850
Interest	127	-	127	1,312
Fundraising	87,215	-	87,215	64,282
Other revenue	<u>(2,106)</u>	<u>-</u>	<u>(2,106)</u>	<u>3,091</u>
Total revenues and support	8,775,199	342,260	9,117,459	8,664,569
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>				
	<u>9,360</u>	<u>(9,360)</u>	<u>-</u>	<u>-</u>
Total revenues, support, and net assets released from restrictions	<u>8,784,559</u>	<u>332,900</u>	<u>9,117,459</u>	<u>8,664,569</u>
<b>EXPENSES</b>				
<b>Program services</b>				
Child services	3,973,078	-	3,973,078	3,812,180
Community services	780,471	-	780,471	606,156
Energy assistance	2,154,833	-	2,154,833	2,135,921
Housing	409,543	-	409,543	374,836
Weatherization	391,107	-	391,107	247,856
Workforce development	<u>150,178</u>	<u>-</u>	<u>150,178</u>	<u>178,651</u>
Total program services	7,859,210	-	7,859,210	7,355,600
<b>Supporting activities</b>				
Management and general	790,496	-	790,496	732,223
Fundraising	<u>78,112</u>	<u>-</u>	<u>78,112</u>	<u>64,919</u>
Total expenses	<u>8,727,818</u>	<u>-</u>	<u>8,727,818</u>	<u>8,152,742</u>
<b>CHANGE IN NET ASSETS</b>	56,741	332,900	389,641	511,827
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,511,418</u>	<u>103,280</u>	<u>1,614,698</u>	<u>1,102,871</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,568,159</u>	<u>\$ 436,180</u>	<u>\$ 2,004,339</u>	<u>\$ 1,614,698</u>

See Notes to Financial Statements

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 389,641	\$ 511,827
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	84,399	53,517
(Increase) decrease in assets:		
Accounts receivable	97,494	(477,626)
Contributions receivable	(115,800)	-
Tax credits receivable	(164,000)	(8,000)
Inventory	(2,808)	-
Prepaid expenses	10,068	(18,377)
Security deposits	18,790	527
Increase (decrease) in liabilities:		
Accounts payable	(145,482)	280,139
Accrued payroll and related taxes	(4,305)	20,739
Accrued compensated absences	21,475	(2,388)
Refundable advances	(46,909)	(29,071)
Other current liabilities	20,789	(24,399)
	<u>163,352</u>	<u>306,888</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
	<u>163,352</u>	<u>306,888</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(352,793)</u>	<u>(502,144)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(352,793)</u>	<u>(502,144)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net borrowings (repayments) on demand note payable	<u>32,704</u>	<u>(728)</u>
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<u>32,704</u>	<u>(728)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(156,737)	(195,984)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>517,916</u>	<u>713,900</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 361,179</u>	<u>\$ 517,916</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	<u>\$ 6,251</u>	<u>\$ 3,322</u>

See Notes to Financial Statements

<u>Workforce Development</u>	<u>Total Program Services</u>	<u>Intermediate (Allocation) Pools</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2017 Total</u>	<u>2016 Total</u>
76,824	\$ 2,657,789	\$ 113,337	\$ 515,173	\$ 27,803	\$ 3,314,102	\$ 3,229,192
6,367	215,036	8,260	40,468	2,096	265,860	288,778
11,453	273,790	12,164	31,427	2,865	320,246	286,949
14,291	2,317,502	-	-	-	2,317,502	2,114,286
-	723,466	-	-	11,603	735,069	577,850
971	386,464	16,167	53,898	274	456,803	134,484
4,860	310,930	14,436	17,595	3,621	346,582	358,493
25,391	382,671	(251,905)	36,180	3,520	170,466	145,634
951	39,526	86,873	22,481	7,152	156,032	78,635
4,049	132,146	(9,375)	14,858	457	138,086	142,579
1,248	106,602	11,401	17,975	194	136,172	175,933
29	91,887	386	36,358	3,117	131,748	40,742
2,320	84,398	-	-	-	84,398	34,361
927	75,890	(14,582)	11,315	2,324	74,947	53,517
147	25,541	20	13,865	5,142	44,568	24,364
257	17,354	281	7,936	-	25,571	14,661
93	6,139	12,537	4,934	38	23,648	148,448
-	6,251	-	-	-	6,251	2,449
-	-	-	(34,921)	-	(34,921)	271,832
-	-	-	-	-	-	3,322
-	5,828	-	954	7,906	14,688	26,233
<u>150,178</u>	<u>\$ 7,859,210</u>	<u>\$ -</u>	<u>\$ 790,496</u>	<u>\$ 78,112</u>	<u>\$ 8,727,818</u>	<u>\$ 8,152,742</u>

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

Community Action Partnership of Strafford County (the Agency) is a 501(c)(3) private New Hampshire non-profit organization established under the provisions of the Equal Opportunity Act of 1964. Without services provided by the Agency, many local residents would be without a means to provide for their basic needs, including food, education, child care, utilities assistance, transportation, housing, emergency shelter and access to other services. The mission of the Agency is to educate, advocate and assist people in Strafford County to help meet their basic needs and promote self-sufficiency. The vision of the Agency is to eliminate poverty in Strafford County through compassion, education, self-sufficiency, transparency, accountability, team work, client focus and professionalism.

In addition to its administrative office located in Dover, the Agency maintains its outreach capacity by operating program offices in Farmington, Milton, Rochester, Dover and Somersworth. The Agency is funded by Federal, state, county and local funds, as well as United Way grants, public utilities, foundation and charitable grant funds, fees for service, private business donations, and donations from individuals. The Agency is governed by a tripartite board of directors made up of elected officials, community leaders from for-profit and non-profit organizations and residents who are low income. The board is responsible for assuring that the Agency continues to assess and respond to the causes and conditions of poverty in its community, achieve anticipated family and community outcomes, and remain administratively and fiscally sound. The Agency administers a wide range of coordinated programs to more than 15,000 people annually, and the programs are designed to have a measureable impact on poverty and health status among the most vulnerable residents: those under the age of 6, the elderly and those living in poverty. This coordinated approach is accomplished by providing a broad array of services that are locally defined, planned and managed with community agencies.

**Basis of Accounting**

The financial statements have been prepared using the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) of the United States.

**Financial Statement Presentation**

The financial statement presentation follows the recommendations of the Accounting Standard Codification No. 958-210, *Financial Statements of Not-For-Profit Organizations*. Under FASB ASC No. 958-210, 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. The classes of net assets are determined by the presence or absence of donor restrictions.

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

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

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

At December 31, 2017 and 2016 the Agency had unrestricted and temporarily restricted net assets.

#### **Refundable Advances**

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services are performed or expenditures are incurred.

#### **Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support, depending on the nature of the restriction. However, if a restriction is fulfilled in the same period in which the contribution is received, the Agency reports the support as unrestricted.

#### **Contributed Services**

Donated services are recognized as contributions in accordance with FASB ASC No. 958, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills and would otherwise be purchased by the Agency.

Volunteers provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under FASB ASC No. 958 were not met.

#### **Fair Value of Financial Instruments**

Accounting Standard Codification No. 825, "Financial Instruments," requires the Agency to disclose estimated fair value for its financial instruments. The carrying amounts of cash, accounts receivable, inventory, prepaid expenses, accounts payable, accrued expenses, and refundable advances approximate fair value because of the short maturity of those instruments.

#### **Inventory**

Inventory materials are fixtures for installation and recorded at cost or contributed value, using the first-in, first-out method.

### **Property and Depreciation**

Property and equipment, which have a cost greater than \$5,000, are capitalized at cost or, if donated, at the approximate fair value at the date of donation. Specific grants and awards may have a threshold lower than this amount and that program will abide by those guidelines. Assets are depreciated over their estimated useful lives using the straight-line method as follows:

Buildings and improvements	15 - 40 years
Furniture, equipment and machinery	3 - 10 years
Vehicles	5 - 7 years

Depreciation expense aggregated \$84,399 and \$53,517 for the years ended December 31, 2017 and 2016, respectively.

### **Accrued Earned Time**

The Agency has accrued a liability of \$100,965 and \$79,490 at December 31, 2017 and 2016, respectively, for future compensated leave time that its employees have earned and which is vested with the employee.

### **Income Taxes**

The Agency is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined the Agency to be other than a private foundation. The Agency is also exempt from the New Hampshire Business Enterprise Tax.

Accounting Standard Codification No. 740, "Accounting for Income Taxes", establishes the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. Management has analyzed the Agency's tax position taken on its information returns for the years 2014 through 2017 and has concluded that no additional provision for income taxes is necessary in the Agency's financial statements.

### **Cash and Cash Equivalents**

The Agency considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents.

### **Use of Estimates**

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

### **Advertising Expenses**

The Agency expenses advertising costs as they are incurred. Total advertising costs for the years ended December 31, 2017 and 2016 amounted to \$22,984 and \$21,352, respectively.

### **In-kind Donations**

The Agency pays below-market rent for the use of certain facilities. In accordance with generally accepted accounting principles, the difference between amounts paid for the use of the facilities and the fair value of the rental space has been recorded as an in-kind donation and as an in-kind expense in the accompanying financial statements. The estimated fair value of the donation was determined to be \$232,667 and \$322,524 for the years ended December 31, 2017 and 2016, respectively.

The Agency also receives contributed professional services that are required to be recorded in accordance with FASB ASC No. 958. The estimated fair value of these services was determined to be \$86,313 and \$49,673 for the years ended December 31, 2017 and 2016, respectively.

The Agency also receives contributed food commodities and other goods that are required to be recorded in accordance with FASB ASC No. 958. The estimated fair value of these food commodities and goods was determined to be \$121,757 and \$294,332, respectively, for the year ended December 31, 2017. For the year ended December 31, 2016, the estimated fair value of these food commodities and goods was determined to be \$159,190 and \$46,463, respectively.

### **Functional Allocation of Expenses**

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

## **NOTE 2. PROPERTY**

As of December 31, 2017 and 2016, property consisted of the following:

	<b><u>2017</u></b>	<b><u>2016</u></b>
Land, buildings and improvements	\$ 1,268,065	\$ 926,666
Furniture, equipment and machinery	539,213	522,213
Vehicles	249,779	249,779
Construction in progress	<u>-</u>	<u>5,607</u>
Total	2,057,057	1,704,265
Less accumulated depreciation	<u>861,612</u>	<u>777,214</u>
Net property	<b><u>\$ 1,195,445</u></b>	<b><u>\$ 927,051</u></b>

## **NOTE 3. ACCOUNTS RECEIVABLE**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at December 31, 2017 and 2016. The Agency has no policy for charging interest on overdue accounts.

**NOTE 4. CONTRIBUTIONS RECEIVABLE**

Contributions receivable represent promises to give, which have been made by donors but have not yet been received by the Agency. The Agency considers contributions receivable fully collectible; accordingly, no allowance for contributions receivable has been recorded.

Total unconditional promises to give were as follows at December 31, 2017:

Within one year	\$	52,400
In two to five years		26,400
Thereafter		<u>37,000</u>
	\$	<u>115,800</u>

**NOTE 5. TAX CREDIT PROGRAM**

The New Hampshire Community Development Finance Authority's Tax Credit Program allows New Hampshire businesses to contribute to not-for-profit community, housing and economic development projects and receive a 75% New Hampshire state tax credit that can be applied against New Hampshire business profits, business enterprise and insurance premium taxes. Through this Tax Credit Program, the Agency recognized contribution revenue of \$164,000 and \$8,000 for the years ended December 31, 2017 and 2016, respectively. At December 31, 2017 and 2016, the Agency had tax credits receivable of \$172,000 and \$8,000, respectively.

**NOTE 6. PLEGGED ASSETS**

As described in Note 7, all assets of the Agency are pledged as collateral under the Agency's demand note payable agreement.

**NOTE 7. DEMAND NOTE PAYABLE**

The Agency has available a revolving line of credit with a bank in the amount of \$250,000. The note is payable upon demand, but in the absence of demand, is due in September 2018. Interest is stated at the prime rate plus 1% which resulted in an interest rate of 5.50% and 4.75% at December 31, 2017 and 2016, respectively. The note is collateralized by all the assets of the Agency.

**NOTE 8. TEMPORARILY RESTRICTED NET ASSETS**

At December 31, 2017 and 2016, temporarily restricted net assets consisted of the following:

	<u>2017</u>	<u>2016</u>
Bank of New Hampshire - Summer Meals	\$ 3,094	\$ 971
Building Campaign - Pledges	121,908	-
Building Campaign - Tax Credits	172,000	8,000
Envoy Mortgage - Summer Meals	1,500	-
Fuel Vendor - Returned of Federal Funds	6,123	4,219

Holy Rosary Credit Union - Homelessness	207	-
Hub - Family Resource Center	27,892	27,892
Individual Donor - Heat & Hot Water	2,868	-
Individual Donors Grab N Go – Summer Weekend Meals	1,418	-
Municipal - Homelessness	6,838	-
Municipal - Homelessness	4,500	-
New Hampshire Charitable – Thomas Haas Heat & Hot Water	11,719	-
New Hampshire Charitable – Thomas Haas Heat & Hot Water	8,000	-
New Hampshire Charitable Foundation – Bundled Services	37,305	20,247
New Hampshire Charitable Foundation – Homelessness	1,000	-
Nute Charitable Trust - Fuel Assistance	1,500	-
Optima Bank - Security Deposits	18,425	27,620
Share Our Strength – Summer Meals	-	13,995
Split Interest Clients - Security Deposits	5,385	-
Split Interest Clients - Security Deposits	2,450	-
United Way - Homelessness	<u>2,048</u>	<u>336</u>
Total	<u>\$ 436,180</u>	<u>\$ 103,280</u>

**NOTE 9. LEASE COMMITMENTS**

Facilities occupied by the Agency for its community service programs are rented under the terms of various operating leases. For the years ended December 31, 2017 and 2016, the annual lease/rent expense for the leased facilities was \$155,065 and \$120,523, respectively. Certain equipment is leased by the Agency under the terms of various operating leases.

The approximate future minimum lease payments on the above leases are as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2018	\$ 91,347
2019	23,857
2020	20,078
2021	19,633
2022	<u>15,697</u>
Total	<u>\$ 170,612</u>

**NOTE 10. RETIREMENT PLAN**

The Agency maintains a 403(b) Plan and Trust (the Plan) covering substantially all employees. Employee contributions to the Plan are made at predetermined rates elected by employees. Additionally, the Agency provides a matching contribution equal to 25% of the employee's contribution up to 5% of the employee's compensation. Effective April 1, 2016, the Agency instituted an auto enrollment feature mandating a minimum 1% employee contribution; however employees reserve the right to decline the auto enrollment. Employer matching contributions for the years ended December 31, 2017 and 2016 totaled \$25,570 and \$24,366, respectively.

**NOTE 11. CONCENTRATION OF RISK**

A large percentage of the Agency's total revenue was received from two contractors, the Federal Government and the State of New Hampshire. It is always considered to be at least reasonably possible that either contractor could be lost in the near term; however, Management feels this risk is of no particular concern at this time.

**NOTE 12. CONCENTRATION OF CREDIT RISK**

The Agency maintains its cash balances at several financial institutions in New Hampshire. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Agency maintains an agreement with its primary financial institution to collateralize the balances in excess of \$250,000.

**NOTE 13. CONTINGENCIES**

The Agency receives grant funding from various sources. Under the terms of these agreements, the Agency is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the Agency might be required to repay the funds. No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed as of December 31, 2017 and 2016.

**NOTE 14. SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date but arose after that date. Management has evaluated subsequent events through June 21, 2018, the date the December 31, 2017 financial statements were available for issuance.

**SUPPLEMENTARY INFORMATION**  
**(See Independent Auditors' Report)**

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	<u>GRANTOR'S NUMBER</u>		<u>FEDERAL EXPENDITURES</u>
	4300-ZZZ	\$ 114,589	
	At-Risk After School Care Centers	<u>82,842</u>	\$ 197,431
	4300-ZZZ		71,368
	None		<u>164,649</u>
			<u>\$ 433,448</u>
	Dover Housing Authority		\$ 25,818
	City of Dover	\$ 37,152	
	City of Rochester	<u>53,346</u>	90,498
Authority	16-210-CDFA	84,906	
Authority	16-409-EDWD1	<u>17,932</u>	102,838
Human Services	05-95-42-423010-7927		28,733
Human Services	010-092-7176-102-0415	34,169	
	Community Partners	<u>10,595</u>	<u>44,764</u>
			<u>\$ 292,651</u>
	2016-0003	\$ 31,955	
	2016-0003	<u>34,351</u>	<u>66,306</u>
			<u>\$ 66,306</u>
/ & Community Services	01-02-02-024010-7706-074-500587		<u>\$ 135,377</u>
			<u>\$ 135,377</u>
It services	010-048-7872-512-0352	\$ 1,889	
Human Services,	05-95-48-48010-78720000-512-500352	<u>26,318</u>	\$ 28,207
Human Services, DPH,	05-95-90-902010-5896		166,445
n, Youth and Families	05-095-042-421010-29730000-102-500734-42107306		18,708
n, Youth and Families	05-095-045-450010-61460000-502-500891-42106603	33,000	
	13-DHHS-BWW-CSP-05	<u>82,631</u>	115,631
/ & Planning	01-02-02-024010-77050000-074-500587	1,886,943	
/ & Planning	01-02-02-024010-77050000-500587 02HRRP16A	<u>279,640</u>	2,166,583
	010-045-7148-093-0415		516,950
	01CH996002 & 01HP000702		3,182,799
n, Youth and Families	05-095-042-421010-29680000-102-500734-42106802		740
n, Youth and Families	05-095-042-421010-29660000-102-500734-42106603		70,172
n, Youth and Families	05-095-090-902010-51900000-102-500731-90004009		<u>4,990</u>
			<u>6,271,225</u>
			<u>\$ 7,199,007</u>

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Community Action Partnership of Strafford County under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Community Action Partnership of Strafford County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

Community Action Partnership of Strafford County has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4 FOOD DONATION**

Nonmonetary assistance is reported in the Schedule at the fair value of the commodities received and disbursed.

**NOTE 5 SUBRECIPIENTS**

Community Action Partnership of Strafford County had no subrecipients for the year ended December 31, 2017.

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Community Action Partnership of Strafford County  
Dover, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Action Partnership of Strafford County (a New Hampshire nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of cash flows, and the related notes to the financial statements for the years then ended, and the related statements of activities and functional expenses for the year ended December 31, 2017, and have issued our report thereon dated June 21, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Community Action Partnership of Strafford County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Action Partnership of Strafford County's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Action Partnership of Strafford County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency as item 2017-001.

### **Compliance and Other Matters**

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

### **Community Action Partnership of Strafford County's Response to Findings**

Community Action Partnership of Strafford County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Community Action Partnership of Strafford County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Leon, McDonnell & Roberts  
Professional Association*

June 21, 2018  
Wolfeboro, New Hampshire

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Community Action Partnership of Strafford County  
Dover, New Hampshire

**Report on Compliance for Each Major Federal Program**

We have audited Community Action Partnership of Strafford County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Action Partnership of Strafford County's major federal programs for the year ended December 31, 2017. Community Action Partnership of Strafford County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Community Action Partnership of Strafford County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Action Partnership of Strafford County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Action Partnership of Strafford County's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Community Action Partnership of Strafford County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

### **Report on Internal Control Over Compliance**

Management of Community Action Partnership of Strafford County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Action Partnership of Strafford County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Action Partnership of Strafford County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Leon, McDonnell & Roberts  
Professional Association*

June 21, 2018  
Wolfeboro, New Hampshire

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**A. SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Community Action Partnership of Strafford County were prepared in accordance with GAAP.
2. One significant deficiency disclosed during the audit of the financial statements is reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Community Action Partnership of Strafford County, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for Community Action Partnership of Strafford County expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The programs tested as major were: U.S. Department of Health and Human Services, Low-Income Home Energy Assistance Program, CFDA 93.568, and Community Services Block Grant, CFDA 93.569.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Community Action Partnership of Strafford County was determined to be a low-risk auditee.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**2017-001 General Ledger Close and Adjusting Journal Entries**

Condition: A significant quantity of adjusting journal entries were provided by the Organization during the audit. Significant adjusting entries related to the following areas: accrued payroll, pledges receivable and pledge contributions. The adjusting entries were provided by management and in certain cases identified by the auditor.

Criteria: Internal controls should be in place to ensure that the activity of the Organization is being recorded in a timely and accurate manner.

Cause: Controls are not in place to ensure all required month and year end journal entries are being recorded in a timely and accurate manner.

Effect: Financial information utilized by management in making decisions may not be timely or accurate.

Recommendation: Procedures should be implemented to ensure all required month and year end journal entries are being recorded in a timely and accurate manner.

Views of Responsible Officials and Planned Corrective Action: The Organization is strengthening month end and year end checklist procedures to include additional documentation of completion, backups recorded to 365 and review of entries to ensure timely and accurate journal entries. In addition, the fiscal department is fully staffed to provide the oversight as well as work required to perform the tasks.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS  
AUDIT**

None

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

There were no findings or questioned costs that were required to be reported in the Schedule of Findings and Questioned Costs for the year ended December 31, 2016.



## 2018 Board of Directors

Becky Sherburne, Chair  
Hope Morrow Flynn, Vice Chair  
Alan Brown, Treasurer  
Jean Miccolo, Secretary  
Alison Dorow  
Marci Theriault  
Megan MacDonald  
Christina Radie  
Dr. Kristen Yates  
Petros Lazos  
Terry Jarvis  
Kristen Collins  
Vickie Routhier  
Thomas Levasseur  
Charlene McGregor  
Bruce Connick  
Don Chick

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Community Action Partnership of Strafford County  
Administrative & Weatherization Office, 642 Central Avenue, Dover, NH 603-435-2500  
Mailing address: P.O. Box 160, Dover, NH 03821-0160

### Outreach Offices:

61 Locust Street, Dover 603-460-4237  
527 Main Street, Farmington 603-460-4313

### Head Start Centers:

62A Whittier Street, Dover 603-285-9460  
120 Main Street, Farmington 603-755-2883  
55 Industrial Drive, Milton 603-652-0990  
150 Wakefield Street, Rochester 603-285-9461  
184 Maple St. Ext., Somersworth 603-817-5458

## M. KATHLEEN CROMPTON

### RESUME OF EXPERIENCE

#### PROFESSIONAL POSITIONS:

##### **Director of Strategic Initiatives;** *Strafford County Community Action Program, Dover, New Hampshire*

Responsible for the operational success of the agency by ensuring seamless team management and development, program delivery, and quality control and evaluation. Implement strategies that maximize the interactions and collaborations among program areas. Supervise program managers working to implement a 2 Gen approach to service delivery. Provide consistent, objective program performance standards of accountability.

Responsible for special projects and strategic initiatives, delivering project management, strategic planning and implementation support for organizational initiatives as assigned by the Executive Director. Work in conjunction with senior management to pursue and achieve tactical or strategic objectives, working on long term strategic goals and short term initiatives as well. Long-term initiatives include the development of a care coordination system that assesses the needs of clients and works with them to set measurable goals that address issues impeding them from achieving their highest level of self-sufficiency.

Provide support to the Executive Director by convening meetings, providing research, tracking trends and preparing presentations as requested. Program management includes all activities needed to align projects with the agencies mission, procedures and practices. (2013 to present)

##### **Community Health Lead;** *Strafford County Community Action Program, Dover, New Hampshire*

Responsibilities: Identify and develop working relationships with key agencies and organizations within the community to facilitate the education and enrollment of consumers into Qualified Health Plans. Conduct group presentations and organize meetings to promote positive relationships among all groups working with the Affordable Care Act. Working with Cognosante, CMS and other partners identify and arrange for locations throughout the County where In-person assisters can be located to support consumers seeking help with the Marketplace web-based service. Develop news articles, PSAs and other promotional materials to and promote activities in local newspapers and media. Complete certification course for navigators and attend training required or suggested by CMS. (2013 to 2014)

##### **Executive Director;** *SeaCare Health Services, Exeter, New Hampshire*

Responsible for all operations of a non-profit agency providing health care access to uninsured residents in twenty-one towns in Rockingham County. SeaCare's mission was devoted to ensuring that all underserved members of the community had access to optimal health care and care coordination to address the wide variety of health care needs encountered by individuals and families as they grew and changed in the life cycle. Through a volunteer network of over 350 health professionals, pro bono or low cost medical and mental health services were available. The program built a comprehensive range of preventive and social services, with an emphasis on respectful care coordination, multifaceted health education, home-based education and parenting activities for families of children referred by local pediatricians. The program generated over \$3,500,000 in donated medical care and services for uninsured adults and children.

Worked closely with the SeaCare Board of Trustees to ensure compliance with the agency Mission Statement; sound fiscal practices; secure funding; program planning and compliance; program development; grant writing and management; budget preparation; staff supervision; liaison with health professionals, community members, other agencies and policy makers; public relations; database management and community outreach. (1994 to 2013)

##### **Nutritionist and Health Education;** *Portsmouth Prenatal Clinic, Portsmouth, New Hampshire*

Member of a multi-disciplinary team, serving low-income pregnant women. Coordinated with physicians, nurses, social workers and nurse practitioners to develop individualized care plans. Served as the coordinator and instructor of the American Lung Association Smoking Cessation in Pregnancy Program administered through the Clinic. Served as a

contributing writer for the Clinic's Families First Program newsletter. Responsible for nutrition education for families in the Families First Program. Provided assistance to clients in obtaining related services. (1989 to 1994)

**Nutrition Instructor;** *The Family Center*, Exeter Hospital, Exeter, New Hampshire

Conducted nutrition education programs during the Early Pregnancy Series offered to all women and their partners delivering at Exeter Hospital. (1993 to 1994)

**Consulting Nutritionist;** Rockingham County Community Action Program, *Women, Infants and Children Program*, Exeter, New Hampshire (1982 to 1989)

Assisted in the development of an innovative breastfeeding support program for participants in the RCCAP WIC Program. Developed and conducted outreach and support activities designed to encourage the initiation of breastfeeding and to expand the duration of breastfeeding among low-income women.

Served as a consulting nutritionist to the Program, which encompassed several communities in southeastern New Hampshire. Duties included nutrition education and certification for women, infants and children.

**Director;** *Women, Infants and Children Program*, Greater Lawrence Community Action Council, Lawrence, Massachusetts.

Served as the administrator of an urban nutrition education and supplemental food program. (1980 to 1982).

**Nutritionist;** South Carolina Head Start Training Office, *Humanics Associates*, Columbia, SC . (1977 – 1980)

**Nutritionist;** Lawrence Housing Authority, *Greater Lawrence Community Action Council*, Lawrence, MA. (1975 to 1977)

#### Volunteer Activities

**Board of Directors;** Healthy New Hampshire Foundation, Concord, New Hampshire (2013 to present)

**Community Assister Task Force;** NH Voices for Health, Concord, New Hampshire (2013 to present)

**Board of Directors;** Squamscott Community Commons, Exeter, NH (2013 to present)

**Board of Directors;** *United Way of the Greater Seacoast*, Portsmouth, NH (2001 to 2005)

**NH District Health Council;** *Governor Councilor's Ruth Griffin, District 1*, Portsmouth, NH (2000 to 2003)

**Alliance for Community Health;** *Greater Seacoast health care collaborative*, Portsmouth, NH (1998 to 2013)

**New Hampshire Health Care System: Guidelines for Change;** *State Initiative*, Concord, NH (1999)

**Women Helping Women;** *Greater Seacoast Breast and Cervical Cancer Screening Initiative*, Portsmouth, (1995 to 1998)

**Board of Directors;** *Seacoast Area Visiting Nurses Association*, North Hampton, New Hampshire. Board President, 1990 - 1991. (1988 to 1991)

#### Education

**University of New Hampshire**, Durham, New Hampshire.  
Bachelor of Science with concentration in Nutrition. (1975)

**COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY**

**November 2016- Present**

**Housing Development Manager**

- Responsible for the development, program and fiscal management of agency's elderly and family housing programs
- Develop, implement, and oversee compliance and regulatory activities in accordance with federal, state and local regulations
- Real Estate and Economic Development in coordination with the agency's housing Program Development

**NEW HAMPSHIRE DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**March 2008- November 2016**

**Director, Contracts and Procurement Unit**

- Manage and coordinate all aspects of the procurement process across 700-850 contracts each year with an annual spend of between \$1.6-2.2 billion (based upon budget cycle)
- Personally lead negotiations and establishment of final contract language for all contracts over \$500,000 in value
- Created a client-centric database for all active contracts and procurements to allow staff statewide to access the status of their contracts, 24/7
- Maintain a reputation for consistently working to leverage all spending to the benefit of the Department and those it serves

**Administrator, Contracts and Procurement Unit**

- Recommended and executed changes in internal contract process that led to tightening of compliance controls within new contracts, resulting in better accountability and fewer complaints from stakeholders
- Hired, trained, managed and provided oversight to 12 direct reports. Helped monitor production levels and output quality by performing weekly reviews and final approvals for all contracts while maintaining my own case load of high priority, high visibility contracts

**Bureau Chief, Juvenile Probation/Parole Services**

- Handled all budgetary forecasting, trend reporting, and contract compliance issues related to statewide provision of services
- Provided management direction for Bureau wide initiatives including service delivery and cost containment across 18 offices and 105 staff
- Directed statewide provision of probation/parole services to youth under 18

**Quality Improvement & Professional Development Manager**

- Managed and coordinated procurement of training resources for the Division
- Facilitated GSA property and equipment transfers to support needs of Juvenile Probation and Parole officers
- Developed, implemented and/or coordinated all in-service and specialized training programs for the Division
- Was the individual in charge of planning and management of the Council of Juvenile Corrections Administrators (CJCA) Performance Based Standards (PbS) process

## **CITY OF DOVER, NH POLICE DEPARTMENT**

### **Commander- Professional Standards Bureau (2002-2008)**

- Managed all aspects of the contracting process for the Departments purchase of firearms, ammunition, clothing, ballistic protection, GSA property transfers, and facility related upgrades
- Developed Department policy and procedure at direction of Chief of Police
- Created and managed the Departments first computerized directive system
- Created and implemented a court defensible firearms and use of force training program
- Ensured all line staff received properly developed in-service and specialized agency training program
- Developed, managed and implemented the recruitment, selection and hiring processes for police officers
- Provided planning and management oversight of the CALEA accreditation process
- Successfully guided the Department through two CALEA accreditation cycles as the Accreditation Manager

## **CITY OF DOVER, NH & TOWNS OF MOULTONBORO, TUFTONBORO, AND WOLFEBORO**

### **Police Officer (1990-2002)**

- Full-time patrol officer

### *Education*

**Master of Arts in Management Communication and Public Relations**  
Emerson College, Boston, Massachusetts; 1990-1992

**Bachelor of Science in Management and Organizational Communication**  
Emerson College, Boston, Massachusetts; 1987-1990

**Community Action Partnership of Strafford County  
State of New Hampshire – CSBG Grant 2019  
Key Personnel**

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Kathy Crompton	Strategic Initiatives Director	80,000.00	100%	80,000.00
Eric Borrin	Housing Development Manager	77,709.00	100%	77,709.00

Subject: Community Services Block Grant (CSBG)/SS-2019-BHS-02-COMMU-02

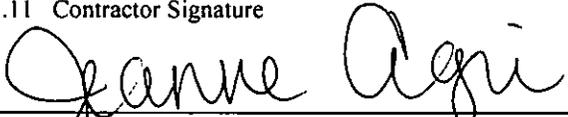
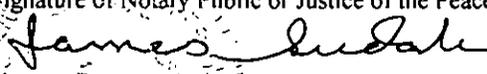
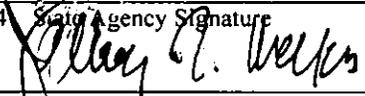
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Community Action Programs Belknap and Merrimack Counties		1.4 Contractor Address 2 Industrial Drive PO Box 1016 Concord, NH 03301	
1.5 Contractor Phone Number 603-225-3295	1.6 Account Number 05-095-045-450010-71480000-102-500731-45012170	1.7 Completion Date September 30, 2019	1.8 Price Limitation \$537,092
1.9 Contracting Officer for State Agency Nathan D. White, Director Bureau of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Jeanne Agri, Executive Director	
1.13 Acknowledgement: State of New Hampshire, County of Merrimack On 1/2/2019, 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]		JAMES W. SUDAK, Justice of the Peace My Commission Expires, March 23, 2021	
1.13.2 Name and Title of Notary or Justice of the Peace James Sudak, Justice of the Peace			
1.14 State Agency Signature  Date: 1.15.19		1.15 Name and Title of State Agency Signatory Jeffrey H. Weeks Comm.	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: _____ Attorney 1/22/19			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**

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

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

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

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

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

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

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

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

**7. PERSONNEL.**

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

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

Contractor Initials GA  
Date 1.2.2019

Agreement. This provision shall survive termination of this Agreement.

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

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

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **14. INSURANCE.**

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

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

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

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

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

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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

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

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

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

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

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

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

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



Exhibit A

## Scope of Services

### 1. Provisions Applicable to All Services

- 1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. In accordance with the provisions of The Community Services Block Grant Act (42 U.S.C. et seq) as amended by Public Law 105-285 of October 27, 1998, also known as the Community Opportunities Accountability, Training and Educational Act of 1998 or the Coats Human Services Reauthorization Act of 1998; and any amendments thereto, the Contractor agrees to deliver Community Services to low-income individuals at or below 125 percent of the poverty income guidelines.
- 1.4. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 biennia.
- 1.5. For the purposes of this Agreement, the Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.0. et seq.

### 2. Scope of Services

- 2.1. The Contractor shall remain a designated Community Services Block Grant (CSBG) eligible entity by conforming to the requirements of the Acts referred to in Section 1 and any amendments thereto, which includes but is not limited to:
  - 2.1.1. Providing an annual community action plan, which shall describe:
    - 2.1.1.1. The service delivery system;
    - 2.1.1.2. Linkages to fill identified gaps; and
    - 2.1.1.3. Coordination with other public and private resources, and innovative initiatives.
  - 2.1.2. Providing of an annual community-needs assessment;
  - 2.1.3. Providing of an independent annual "Single Audit Act" audit;



Exhibit A

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- 2.1.4. Participating in an annual performance measure system via the Annual Report;
  - 2.1.5. Participating in the Organizational Performance Standards;
  - 2.1.6. Administering CSBG through a tripartite board that participates in the development, planning, implementation, and evaluation of the program;
  - 2.1.7. Ensuring that cost and accounting standards of the Office of Management and Budget are in effect; and
  - 2.1.8. Informing custodial parents in single-parent families about child support services and refer eligible parents to child support offices.
- 2.2. The Contractor shall provide, on an emergency basis, services to counteract conditions of starvation and malnutrition.
- 2.3. The Contractor shall coordinate, establish linkages and form partnerships with governmental as well as other social services and antipoverty programs.



Exhibit B

**Method and Conditions Precedent to Payment**

1. The State shall pay the Contractor an amount not to exceed the Form P-37, General Provisions, Block 1.8, Price Limitation, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. This Agreement is funded with funds from the Catalog of Federal Domestic Assistance, CFDA #93.569, Community Services Block Grant, Department of Health and Human Services, Administration for Children and Families.
3. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.
4. Payment for said services shall be made monthly as follows:
  - 4.1. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement.
  - 4.2. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20<sup>th</sup>) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month.
  - 4.3. Invoices must be completed, signed, dated and returned to the Department in order to initiate payment. The Contractor will keep detailed records of their activities related to DHHS-funded programs and services.
  - 4.4. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.
  - 4.5. Invoices must be submitted to:

CSBG Coordinator  
Department of Health and Human Services  
Bureau of Housing Supports  
129 Pleasant Street  
Concord, NH 03301
  - 4.6. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.
5. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule, or regulation applicable to the services provided, or if the said services have not been completed in accordance with the terms and conditions of this Agreement.



**SPECIAL PROVISIONS**

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

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



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

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

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

New Hampshire Department of Health and Human Services  
Exhibit C



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

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



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

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

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

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

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

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

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



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

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

**20. Contract Definitions:**

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



**REVISIONS TO GENERAL PROVISIONS**

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
  4. **CONDITIONAL NATURE OF AGREEMENT.**  
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
  - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
  - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
  - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
  - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
  - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Renewal:**  
The Department reserves the right to extend this Agreement for up to three (3) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council.



**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

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

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

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

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

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

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

New Hampshire Department of Health and Human Services  
Exhibit D



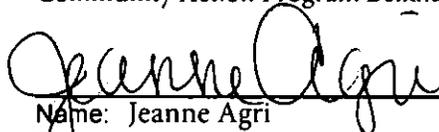
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted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

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

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

Contractor Name:  
Community Action Program Belknap-Merrimack Counties, Inc.

1/2/2019  
Date

  
Name: Jeanne Agri  
Title: Executive Director



**CERTIFICATION REGARDING LOBBYING**

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

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

Programs (indicate applicable program covered):

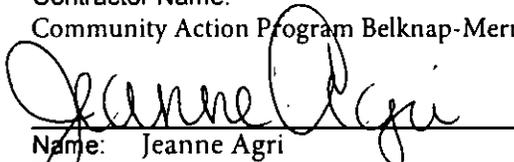
- \*Temporary Assistance to Needy Families under Title IV-A
- \*Child Support Enforcement Program under Title IV-D
- \*Social Services Block Grant Program under Title XX
- \*Medicaid Program under Title XIX
- \*Community Services Block Grant under Title VI
- \*Child Care Development Block Grant under Title IV

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

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

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

Contractor Name:  
Community Action Program Belknap-Merrimack Counties, Inc.

  
Name: Jeanne Agri  
Title: Executive Director

1/2/2019  
Date



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

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

**INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and



information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

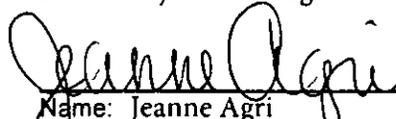
**PRIMARY COVERED TRANSACTIONS**

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

**LOWER TIER COVERED TRANSACTIONS**

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
  - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
  - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name:  
Community Action Program Belknap-Merrimack Counties, Inc.

  
Name: Jeanne Agri  
Title: Executive Director

1/2/2019  
Date



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

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

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

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

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

Exhibit G

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

Contractor Initials

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New Hampshire Department of Health and Human Services  
Exhibit G

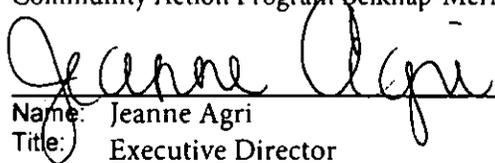


In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for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

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

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

Contractor Name:  
Community Action Program Belknap-Merrimack Counties, Inc.

  
Name: Jeanne Agri  
Title: Executive Director

1/2/2019  
Date

Exhibit G

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

Contractor Initials QA



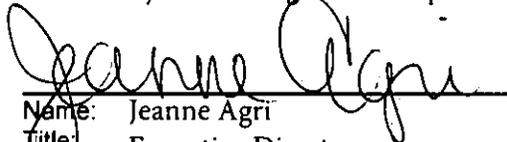
**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

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

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name:  
Community Action Program Belknap-Merrimack Counties, Inc.

  
Name: Jeanne Agri  
Title: Executive Director

1/2/2019  
Date



Exhibit I

**HEALTH INSURANCE PORTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

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

(1) **Definitions.**

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



Exhibit I

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

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

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

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Exhibit I

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

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

**(3) Obligations and Activities of Business Associate.**

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

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

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

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Exhibit I

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

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



Exhibit I

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

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

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

**(6) Miscellaneous**

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

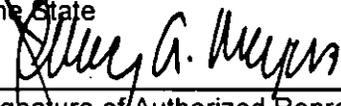
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Exhibit I

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

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

<p>Department of Health and Human Services  <u>The State</u>    <hr/> Signature of Authorized Representative  <u>Jeffrey A. Meyers</u>  <hr/> Name of Authorized Representative  <u>Commissioner</u>  <hr/> Title of Authorized Representative  <u>1.15.19</u>  <hr/> Date</p>	<p>Community Action Program  Belknap-Merrimack Counties, Inc.  <hr/> Name of the Contractor    <hr/> Signature of Authorized Representative  <u>Jeanne Agri</u>  <hr/> Name of Authorized Representative  <u>Executive Director</u>  <hr/> Title of Authorized Representative  <u>1/2/2019</u>  <hr/> Date</p>
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**CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE**

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

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

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

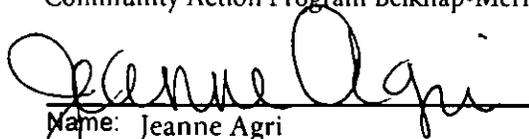
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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

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

Contractor Name:  
Community Action Program Belknap-Merrimack Counties, Inc.

1/2/2019  
Date

  
Name: Jeanne Agri  
Title: Executive Director



FORM A

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

1. The DUNS number for your entity is: 07-399-7504
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

X NO                      \_\_\_\_\_ YES

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

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

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

\_\_\_\_\_ NO                      \_\_\_\_\_ YES

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

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

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

Name: _____	Amount: _____

# New Hampshire Department of Health and Human Services

## Exhibit K

### DHHS Information Security Requirements



#### A. Definitions

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

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

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

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

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1.2.2019



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

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

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

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

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1.2.2019



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

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

## II. METHODS OF SECURE TRANSMISSION OF DATA

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



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

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

### III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

#### A. Retention

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

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1.2.2019



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

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

**B. Disposition**

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

**IV. PROCEDURES FOR SECURITY**

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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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1.2.2019

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.



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

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

#### V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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



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

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

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

**State of New Hampshire**  
**Department of State**

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that COMMUNITY ACTION PROGRAM BELKNAP AND MERRIMACK COUNTIES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 28, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 63021

Certificate Number: 0004072372



IN TESTIMONY WHEREOF,  
I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 2nd day of April A.D. 2018.

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

William M. Gardner  
Secretary of State

**Community Action Program Belknap-Merrimack Counties, Inc.**

**CERTIFICATE OF VOTE**

I, Dennis T. Martino, Secretary-Clerk of Community Action Program Belknap-Merrimack Counties, Inc. (hereinafter the "Corporation"), a New Hampshire corporation, hereby certify that: (1) I am the duly elected and acting Secretary-Clerk of the Corporation; (2) I maintain and have custody and am familiar with the minute books of the Corporation; (3) I am duly authorized to issue certificates with respect to the contents of such books; (4) that the Board of Directors of the Corporation have authorized, on 01/18/2018, such authority to be in force and effect until 9/30/2019 (contract termination date). (see attached)

The person(s) holding the below listed position(s) are authorized to execute and deliver on behalf of the Corporation any contract or other instrument for the sale of products and services:

Jeanne Agri, Executive Director

(5) The meeting of the Board of Directors was held in accordance with New Hampshire, (state of incorporation) law and the by-laws of the Corporation; and (6) said authorization has not been modified, amended or rescinded and continues in full force and effect as of the date hereof. Excerpt of dated minutes or copy of article or section of authorizing by-law must be attached.

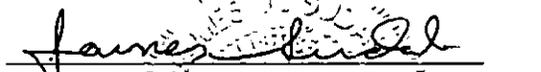
IN WITNESS WHEREOF, I have hereunto set my hand as the Clerk/Secretary of the corporation this 2nd day of January, 2019.

  
Secretary-Clerk

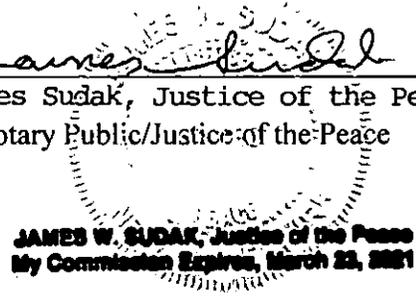
STATE OF NEW HAMPSHIRE  
COUNTY OF MERRIMACK

On this 2nd day of January, 2019, before me, James Sudak the undersigned Officer, personally appeared Dennis T. Martino who acknowledged her/himself to be the Secretary-Clerk of Community Action Program Belknap-Merrimack Counties, Inc., a corporation and that she/he as such Secretary-Clerk being authorized to do so, executed the foregoing instrument for the purposes therein contained.

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

  
James Sudak, Justice of the Peace  
Notary Public/Justice of the Peace

Commission Expiration Date:

  
JAMES W. SUDAK, Justice of the Peace  
My Commission Expires, March 23, 2021

**COMMUNITY ACTION PROGRAM  
BELKNAP-MERRIMACK COUNTIES, INC.**

**CORPORATE RESOLUTION**

The Board of Directors of Community Action Program Belknap-Merrimack Counties, Inc. authorizes the Executive Director, Deputy Director, Budget Analyst, Chief Accountant, President, Vice-President(s) or Treasurer of the Agency to sign contracts and reports with the State of New Hampshire, Departments of the Federal Government, which include all federal #269 and #272 Forms, and public or private nonprofit agencies *including, but not limited to, the following:*

- Department of Administrative Services for food distribution programs
- Department of Education for nutrition programs
- Department of Health and Human Services
  - Bureau of Elderly and Adult Services for elderly programs
  - Bureau of Homeless and Housing Services for homeless/housing programs
  - Division of Children, Youth, and Families for child care programs
  - Division of Family Assistance for Community Services Block Grant
  - Division of Public Health Services for public health programs
- Department of Justice for child advocacy/therapy programs
- Department of Transportation-Public Transportation Bureau for transportation programs
- Public Utilities Commission for utility assistance programs
- Workforce Opportunity Council for employment and job training programs
- Department of Resources and Economic Development
- New Hampshire Office of Strategic Initiatives (OSI) for Low Income Energy Assistance, Weatherization, SEAS and Block Grant programs
- New Hampshire Community Development Finance Authority
- New Hampshire Housing Finance Authority
- New Hampshire Secretary of State
- U.S. Department of Health and Human Services
- U.S. Department of Housing and Urban Development
- U.S. Department of the Treasury – Internal Revenue Service
- and other departments and divisions as required

This Resolution authorizes the signing of all supplementary and subsidiary documents necessary to executing the authorized contracts as well as any modifications or amendments relative to said contracts or agreements.

This Resolution was approved by the Board of Directors of Community Action Program Belknap-Merrimack Counties, Inc. on September 13, 2018, and has not been amended or revoked and remains in effect as of the date listed below.

1/2/2019

Date



Dennis T. Martino  
Secretary/Clerk

SEAL



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
01/17/2019

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

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

<b>PRODUCER</b>		<b>CONTACT NAME:</b> Karen Shaughnessy	
FIAI/Cross Insurance		<b>PHONE (A/C, No, Ext):</b> (603) 869-3218	<b>FAX (A/C, No):</b> (603) 645-4331
1100 Elm Street		<b>E-MAIL ADDRESS:</b> kshaughnessy@crossagency.com	
Manchester NH 03101		<b>INSURER(S) AFFORDING COVERAGE</b>	
		<b>INSURER A:</b> Philadelphia Ins Co	
		<b>INSURER B:</b> Granite State Health Care and Human Services Self-	
		<b>INSURER C:</b> Federal Ins Co	
		<b>INSURER D:</b>	
		<b>INSURER E:</b>	
		<b>INSURER F:</b>	
Community Action Programs, Belknap-Merrimack Counties Inc. P. O. Box 1016 Concord NH 03302		20281	

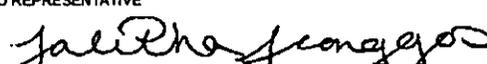
**COVERAGES**      **CERTIFICATE NUMBER:** 18-19 All lines/19-20 WC      **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL 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 checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			PHPK1887527	10/01/2018	10/01/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY			PHPK1887541	10/01/2018	10/01/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist \$ 1,000,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB649174	10/01/2018	10/01/2019	COMBINED SINGLE LIMIT EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
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	HCHS20190000100(3a.) NH	02/01/2019	02/01/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Directors & Officers Liability			82471794	04/01/2018	04/01/2019	Limit 1,000,000

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

Confirmation of Coverage.

<b>CERTIFICATE HOLDER</b>	<b>CANCELLATION</b>
State of New Hampshire Department of Health & Human Services 129 Pleasant Street  Concord NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 

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Phone (603) 225-3295  
 (800) 856-5525  
 Fax (603) 228-1898  
 Web www.bm-cap.org



2 Industrial Park Drive  
 P.O. Box 1016  
 Concord, NH  
 03302-1016

**COMMUNITY ACTION PROGRAM  
 BELKNAP-MERRIMACK COUNTIES, INC.**

**STATEMENT OF PURPOSE**

The purpose the corporation includes providing assistance for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals to become fully self-sufficient through planning and coordinating the use of a broad range of federal, state, local, and other assistance (including private resources) related to the elimination of poverty; the organization of a range of services related to the needs of low-income families and individuals, so that these services may have a measurable and potentially major impact on the causes of poverty and may help the families and individuals to achieve self-sufficiency; the maximum participation of residents of the low-income communities and members of the groups served to empower such residents and members to respond to the unique problems and needs within their communities; and to secure a more active role in the provision of services for private, religious, charitable, and neighborhood-based organizations, individual citizens, and business, labor, and professional groups, who are able to influence the quantity and quality of opportunities and services for the poor.

(Approved by Agency Board of Directors on 02/24/05  
 as part of the Agency Bylaws.)

CAPBMC Statement of Purpose

**ALTON**  
 Senior Center..... 875-7702  
 Prospect View Housing..... 875-3111

**BELMONT**  
 Senior Center..... 267-9867  
 Heritage Terr. Housing..... 267-8801

**BRADFORD**  
 Senior Center..... 938-2104



**CONCORD**  
 Area Center..... 225-6880  
 Head Start..... 224-6492  
 Early Head Start..... 224-6492  
 Concord Area  
 Heels on Wheels..... 225-9092  
 Concord Area Transit..... 225-1989  
 Horseshoe Pond Place..... 228-8956  
 WIC/CSFP..... 225-2050  
 Workplace Success..... 223-2305

**EPSOM**  
 Meadow Brook Housing... 736-8250

**FRANKLIN**  
 Area Center..... 934-3444  
 Head Start..... 934-2161  
 Early Head Start..... 934-2161  
 Senior Center..... 934-4151  
 Riverside Housing..... 934-8340

**LACONIA**  
 Area Center..... 524-5812  
 Head Start..... 528-5334  
 Early Head Start..... 528-5334  
 Senior Center..... 524-7889  
 Family Planning..... 524-5453  
 Workplace Success..... 524-4367

**MEREDITH**  
 Area Center..... 278-4096

**NEWBURY**  
 Newbury Commons  
 Housing..... 783-0360

**PEMBROKE**  
 Village at Pembroke Farms  
 Housing..... 485-1842

**PITTSFIELD**  
 Senior Center..... 435-8482  
 Head Start..... 435-6618  
 Early Head Start..... 435-6611

**SUNCOOK**  
 Area Center..... 485-7824  
 Senior Center..... 485-4254

**TILTON**  
 Senior Center..... 527-8291

**WARNER**  
 Area Center..... 456-2207  
 Head Start..... 456-2208  
 North Ridge Housing..... 456-3388

*Financial Statements*

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**COMMUNITY ACTION PROGRAM BELKNAP-  
MERRIMACK COUNTIES, INC.**

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED FEBRUARY 28, 2017 AND FEBRUARY 29, 2016  
AND  
INDEPENDENT AUDITORS' REPORT**

**COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

**TABLE OF CONTENTS**

**FINANCIAL STATEMENTS**

	<b><u>Page(s)</u></b>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statement of Activities	4
Statements of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7 - 14
Supplementary Information:	
Schedule of Expenditures of Federal Awards	15 - 16
Notes to Schedule of Expenditures of Federal Awards	17
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	18 - 19
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance	20 - 21
Schedule of Findings and Questioned Costs	22 - 23
Supplementary Information:	
Schedules of Revenues and Expenditures	24 - 30
Schedule of Refundable Advances	31

To the Board of Directors  
Community Action Program Belknap-Merrimack Counties, Inc.  
Concord, New Hampshire

## **INDEPENDENT AUDITORS' REPORT**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Community Action Program Belknap-Merrimack Counties, Inc. (a nonprofit organization), which comprise the statements of financial position as of February 28, 2017 and February 29, 2016, and the related statements of cash flows, and notes to the financial statements for the years then ended, and the related statements of activities and functional expenses for the year ended February 28, 2017.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action Program Belknap-Merrimack Counties, Inc. as of February 28, 2017 and February 29, 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Community Action Program Belknap-Merrimack Counties, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended February 29, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, the schedule of revenues and expenditures, and the schedule of refundable advances are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2017, on our consideration of Community Action Program Belknap-Merrimack Counties, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Action Program Belknap-Merrimack Counties, Inc.'s internal control over financial reporting and compliance.

*Leone McDonnell & Roberts*  
*Professional Association*

Concord, New Hampshire  
October 30, 2017

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**STATEMENTS OF FINANCIAL POSITION  
FEBRUARY 28, 2017 AND FEBRUARY 29, 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,732,344	\$ 1,123,997
Accounts receivable	2,161,972	2,643,755
Inventory	21,530	29,923
Prepaid expenses	94,315	100,924
Investments	85,225	72,306
Total current assets	<u>4,095,386</u>	<u>3,970,905</u>
<b>PROPERTY</b>		
Land, buildings and improvements	4,618,289	4,618,289
Equipment, furniture and vehicles	5,838,444	5,942,708
Total property	10,456,733	10,560,997
Less accumulated depreciation	<u>6,818,622</u>	<u>6,824,303</u>
Property, net	<u>3,638,111</u>	<u>3,736,694</u>
<b>OTHER ASSETS</b>		
Due from related party	<u>139,441</u>	<u>139,441</u>
Total other assets	<u>139,441</u>	<u>139,441</u>
<b>TOTAL ASSETS</b>	<u>\$ 7,872,938</u>	<u>\$ 7,847,040</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Current portion of notes payable	\$ 163,753	\$ 154,380
Accounts payable	847,707	1,182,814
Accrued expenses	1,019,426	973,674
Refundable advances	1,159,331	1,122,035
Total current liabilities	3,190,217	3,432,903
<b>LONG TERM LIABILITIES</b>		
Notes payable, less current portion shown above	<u>1,151,156</u>	<u>1,312,780</u>
Total liabilities	<u>4,341,373</u>	<u>4,745,683</u>
<b>NET ASSETS</b>		
Unrestricted	2,887,454	2,485,093
Temporarily restricted	644,111	616,264
Total net assets	<u>3,531,565</u>	<u>3,101,357</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 7,872,938</u>	<u>\$ 7,847,040</u>

See Notes to Financial Statements

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED FEBRUARY 28, 2017  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED FEBRUARY 29, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
<b>REVENUES AND OTHER SUPPORT</b>				
Grant awards	\$ 15,822,185		\$ 15,822,185	\$ 16,076,420
Other funds	2,384,071	\$ 2,441,769	4,825,840	4,822,670
In-kind	1,100,528		1,100,528	906,423
United Way	43,751		43,751	33,840
Realized gain (loss) on sale of equipment	20,250		20,250	(164)
Total revenues and other support	19,370,785	2,441,769	21,812,554	21,839,189
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>2,413,922</u>	<u>(2,413,922)</u>		
Total	<u>21,784,707</u>	<u>27,847</u>	<u>21,812,554</u>	<u>21,839,189</u>
<b>EXPENSES</b>				
Salaries and wages	7,973,527		7,973,527	8,035,121
Payroll taxes and benefits	1,997,820		1,997,820	2,120,907
Travel	277,832		277,832	289,250
Occupancy	1,134,026		1,134,026	1,024,305
Program services	7,104,507		7,104,507	7,324,464
Other costs	1,568,475		1,568,475	1,590,710
Depreciation	225,631		225,631	314,017
In-kind	1,100,528		1,100,528	906,423
Total expenses	<u>21,382,346</u>		<u>21,382,346</u>	<u>21,605,197</u>
<b>CHANGE IN NET ASSETS</b>	402,361	27,847	430,208	233,992
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>2,485,093</u>	<u>616,264</u>	<u>3,101,357</u>	<u>2,867,365</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 2,887,454</u>	<u>\$ 644,111</u>	<u>\$ 3,531,565</u>	<u>\$ 3,101,357</u>

See Notes to Financial Statements

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED FEBRUARY 28, 2017 AND FEBRUARY 29, 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 430,208	\$ 233,992
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	225,631	314,017
(Gain) loss on sale of property	(20,250)	164
Decrease in current assets:		
Accounts receivable	481,783	261,265
Inventory	8,393	3,519
Prepaid expenses	6,609	87,622
(Decrease) increase in current liabilities:		
Accounts payable	(335,107)	(446,853)
Accrued expenses	45,752	(19,379)
Refundable advances	37,296	205,532
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>880,315</u>	<u>639,879</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property	(127,048)	(34,749)
Investment in partnership	(12,919)	(1,409)
Proceeds from sale of property	20,250	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(119,717)</u>	<u>(36,158)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term debt	(152,251)	(143,870)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(152,251)</u>	<u>(143,870)</u>
<b>NET INCREASE IN CASH</b>	608,347	460,051
<b>CASH BALANCE, BEGINNING OF YEAR</b>	<u>1,123,997</u>	<u>663,946</u>
<b>CASH BALANCE, END OF YEAR</b>	<u>\$ 1,732,344</u>	<u>\$ 1,123,997</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for interest	<u>\$ 109,150</u>	<u>\$ 121,170</u>

See Notes to Financial Statements

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED FEBRUARY 28, 2017  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED FEBRUARY 29, 2016**

	<u>Program</u>	<u>Management</u>	<u>2017 Total</u>	<u>2016 Total</u>
Salaries and wages	\$ 7,698,893	\$ 274,634	\$ 7,973,527	\$ 8,035,121
Payroll taxes and benefits	1,876,786	121,034	1,997,820	2,120,907
Travel	276,033	1,799	277,832	289,250
Occupancy	1,018,340	115,686	1,134,026	1,024,305
Program Services	7,104,507	-	7,104,507	7,324,464
Other costs:				
Accounting fees	9,371	39,517	48,888	47,150
Legal fees	45,214	233	45,447	17,957
Supplies	226,486	32,705	259,191	259,621
Postage and shipping	53,947	1,153	55,100	58,272
Equipment rental and maintenance	5,118	385	5,503	3,525
Printing and publications	4,278	9,689	13,967	2,757
Conferences, conventions and meetings	15,331	12,297	27,628	30,932
Interest	103,199	5,951	109,150	121,170
Insurance	118,050	39,980	158,030	193,894
Membership fees	12,119	7,553	19,672	30,505
Utility and maintenance	67,380	56,036	123,416	140,087
Computer services	10,611	26,067	36,678	38,069
Other	646,214	19,591	665,805	646,771
Depreciation	220,884	4,747	225,631	314,017
In kind	1,100,528	-	1,100,528	906,423
<b>Total functional expenses</b>	<b>\$ 20,613,289</b>	<b>\$ 769,057</b>	<b>\$ 21,382,346</b>	<b>\$ 21,605,197</b>

See Notes to Financial Statements

**COMMUNITY ACTION PROGRAM BELKNAP – MERRIMACK COUNTIES, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

Community Action Program Belknap – Merrimack Counties, Inc. (the Organization) is a New Hampshire nonprofit organization that serves nutritional, health, living and support needs of the low income and elderly clients in the two county service areas, as well as state wide. These services are provided with the financial support of various federal, state, county and local organizations.

**Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) of the United States.

**Financial Statement Presentation**

Financial statement presentation follows the recommendations of the FASB in its Accounting Standard Codification No. 958 *Financial Statements of Not-For-Profit Organizations*. Under FASB ASC No. 958, the Organization 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. The classes of net assets are determined by the presence or absence of donor restrictions. As of February 28, 2017 the Organization had no permanently restricted net assets and had temporarily restricted net assets of \$644,111.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended February 29, 2016, from which the summarized information was derived.

**Income Taxes**

The Organization is organized as a nonprofit corporation and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Internal Revenue Service has determined them to be other than a private foundation.

The Organization files information returns in the United States and the State of New Hampshire. The Organization is no longer subject to examinations by tax authorities for years before 2013.

Accounting Standard Codification No. 740 (ASC 740), *Accounting for Income Taxes*, established the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. The Organization has analyzed its tax position taken on its information returns for the years (2013 through 2016), and has concluded that no additional provision for income taxes is necessary in the Organization's financial statements.

### **Property**

Property and equipment is recorded at cost or, if donated, at the approximate fair value at the date of the donation. Assets purchased with a useful life in excess of one year and exceeding \$5,000 are capitalized unless a lower threshold is required by certain funding sources. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets as follows:

Buildings and improvements	40 years
Equipment, furniture and vehicles	3 - 7 years

### **Use of Estimates**

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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.

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all liquid investments purchased with original maturities of three months or less to be cash equivalents. The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to these accounts.

### **Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support, depending on the nature of the restriction. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.

### **Contributed Services**

Donated services are recognized as contributions in accordance with FASB ASC No. 958, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, and would otherwise be purchased by the Agency.

Volunteers provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under FASB ASC No. 958 were not met.

### **In-Kind Donations / Noncash Transactions**

Donated facilities, services and supplies are reflected as revenue and expense in the accompanying financial statements, if the criteria for recognition is met. This represents the estimated fair value for the service, supplies and space that the Organization might incur under normal operating activities. The Organization received \$1,100,528 in donated facilities, services and supplies for the year ended February 28, 2017 as follows:

The Organization receives contributed professional services that are required to be recorded in accordance with FASB ASC No. 958. The estimated fair value of these services was determined to be \$200,362 for the year ended February 28, 2017.

The Organization also receives contributed food commodities and other goods that are required to be recorded in accordance with FASB ASC No. 958. The estimated fair value of these food commodities and goods was determined to be \$898,566 for the year ended February 28, 2017.

The Agency pays below-market rent for the use of certain facilities. In accordance with generally accepted accounting principles, the difference between amounts paid for the use of the facilities and the fair market value of the rental space has been recorded as an in-kind donation and as an in-kind expense in the accompanying financial statements. The estimated fair value of the donation was determined to be \$1,600 for the year ended February 28, 2017.

### **Advertising**

The Organization expenses advertising costs as they are incurred. Total advertising costs for the year ended February 28, 2017 amounted to \$46,709.

## **2. ACCOUNTS RECEIVABLE**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at February 28, 2017. The Organization has no policy for charging interest on overdue accounts.

## **3. REFUNDABLE ADVANCES**

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services or expenditures are performed or incurred. Funds received in advance of grantor conditions being met aggregated \$1,159,331 as of February 28, 2017.

## **4. RETIREMENT PLAN**

The Organization has a qualified contributory pension plan which covers substantially all employees. The cost of the plan is charged to programs administered by the Organization. The expense of the plan for the year ended February 28, 2017 totaled \$207,607.

**5. LEASED FACILITIES**

Facilities occupied by the Organization for its community service programs are leased under various operating leases. The lease terms range from month to month to twenty years. For the year ended February 28, 2017, the annual lease expense for the leased facilities was \$464,831.

The approximate future minimum lease payments on the above leases are as follows:

<u>Year Ended</u> <u>February 28</u>	<u>Amount</u>
2018	\$ 336,450
2019	107,326
2020	94,916
2021	88,762
2022	88,762
Thereafter	<u>1,142,527</u>
Total	<u>\$ 1,858,743</u>

**6. ACCRUED EARNED TIME**

The Organization has accrued a liability for future annual leave time that its employees have earned and vested with the employees in the amount of \$403,742 at February 28, 2017.

**7. BANK LINE OF CREDIT**

The Organization has a \$200,000 revolving line of credit agreement (the line) with a bank that is due on demand. The line calls for monthly variable interest payments based on the Wall Street Journal Prime Rate (3.75% for the year ended February 28, 2017) plus 1%, but not less than 6% per annum. The line is secured by all the Organization's assets. There was no outstanding balance on the line at February 28, 2017.

**8. LONG TERM DEBT**

Long term debt consisted of the following as of February 28, 2017:

5.75% note payable to a financial institution in monthly installments for principal and interest of \$12,373 through July, 2023. The note is secured by property of the Organization for Lakes Region Family Center. \$ 891,657

3% note payable to the City of Concord for leasehold improvements in monthly installments for principal and interest of \$747 through May, 2027. The note is secured by property of the Organization for the agency administrative building renovations. 78,987

Note payable to a bank in monthly installments for principal and interest of \$4,842 through May, 2023. Interest is stated at 1% above the prime rate as published by the Wall Street Journal, which resulted in an interest rate of 4.75% at February 28, 2017. The note is secured by a first real estate mortgage and assignment of rents and leases on property located in Concord, New Hampshire for Early Head Start.

325,825

4.75% note payable to Rural Development in monthly installments for principal and interest of \$148 per month through June, 2031. The note is secured by property of the Organization for the Franklin Community Services building.

18,440

Total 1,314,909  
 Less amounts due within one year 163,753

Long term portion \$ 1,151,156

The scheduled maturities of long term debt as of February 28, 2017 were as follows:

<u>Year Ending February 28</u>	<u>Amount</u>
2018	\$ 163,753
2019	173,709
2020	184,280
2021	195,505
2022	207,428
Thereafter	<u>390,234</u>
	<u>\$ 1,314,909</u>

9. **PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of February 29, 2017:

Land	\$ 168,676
Building and improvements	4,449,613
Equipment and vehicles	<u>5,838,444</u>
	10,456,733
Less accumulated depreciation	<u>6,818,622</u>
Property and equipment, net	<u>\$ 3,638,111</u>

Depreciation expense for the year ended February 28, 2017 was \$225,631.

**10. CONTINGENCIES**

The Organization receives grant funding from various sources. Under the terms of these agreements, the Organization is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the Organization might be required to repay the funds. No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed as of February 28, 2017. Monitoring has not indicated any discrepancies.

**11. CONCENTRATION OF RISK**

For the year ended February 28, 2017, approximately \$9,500,000 (44%) of the Organization's total revenue was received from the Department of Health and Human Services. The future scale and nature of the Organization is dependent upon continued support from this department.

**12. TEMPORARILY RESTRICTED NET ASSETS**

At February 28, 2017, temporarily restricted net assets consisted of the following unexpended, purpose restricted donations:

**Restricted Purpose**

Senior Center	\$ 128,333
Elder Services	297,725
NH Charitable Foundation, Mary Gale	22,064
NH Rotary Food Challenge	5,067
Common Pantry	6,472
Community Crisis	3,578
Caring Fund	16,090
Agency-FAP	12,793
Agency-H/S	149,305
FGP/SCP Assoc. Region 1	157
Agency-WIC/CSFP	1,864
Other Programs	<u>663</u>
	<u>\$ 644,111</u>

**13. RELATED PARTY TRANSACTIONS**

The Organization is related to the following corporation as a result of common management:

**Related Party**

**Function**

CAPBMC Development Corporation

Real Estate Development

There was \$139,441 due from CAPBMC Development Corporation at February 28, 2017.

The Organization serves as the management agent for the following organizations:

<u>Related Party</u>	<u>Function</u>
Belmont Elderly Housing, Inc.	HUD Property
Epsom Elderly Housing, Inc.	HUD Property
Alton Housing for the Elderly, Inc.	HUD Property
Pembroke Housing for the Elderly, Inc.	HUD Property
Newbury Elderly Housing, Inc.	HUD Property
Kearsarge Elderly Housing, Inc.	HUD Property
Riverside Housing Corporation	HUD Property
Sandy Ledge Limited Partnership	Low Income Housing Tax Credit Property
Twin Rivers Community Corporation	Property Development
Ozanam Place, Inc.	Transitional Supportive Services
TRCC Housing Limited Partnership I	Low Income Housing Tax Credit Property

The services performed by the Organization included, marketing, accounting, tenant selection (for the HUD properties), HUD compliance (for the HUD properties), and maintenance of property.

The total amount due from the related parties (collectively) at February 28, 2017 was \$88,933 and is included in accounts receivables.

**14. RECLASSIFICATION**

Certain amounts and accounts from the prior year financial statements have been reclassified to enhance the comparability with the presentation of the current year.

**15. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Community Action Program Belknap-Merrimack Counties, Inc. has also invested money relating to its Fix-it program in certain mutual funds. The fair value of the mutual funds totaled \$84,225 at February 28, 2017.

ASC Topic No. 825-10, Financial Instruments, provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with FASB ASC 820, the Organization may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, FASB ASC 820 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

At February 28, 2017, the Organization's investments were classified as Level 1 and were based on fair value.

Fair Value Measurements using Significant Observable Inputs (Level 1)

Beginning balance – mutual funds	\$ 72,306
Total gains (losses) - realized /unrealized	11,443
Purchases	<u>476</u>
Ending Balance – mutual funds	<u>\$ 84,225</u>

The carrying amount of cash, current assets, other assets and current liabilities, approximates fair value because of the short maturity of those instruments.

The Organization invested \$1,000 during the year ended February 28, 2017 in a Partnership, The Lakes Region Partnership for Public Health.

**16. FISCAL AGENT**

Community Action Program Belknap-Merrimack Counties, Inc. acts as the fiscal agent for the following community organizations: Franklin Community Services Building (Franklin), the Common Pantry (Laconia), the Caring Fund (Meredith), the NH Food Pantry Coalition, the NH Rotary Food Challenge and FGP/SCP Association Region 1. The Agency provides the management and oversight of the revenues received (donations) and the expenses (utilities, food and emergency services).

**17. SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date, but before the financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date, but arose after that date. Management has evaluated subsequent events through October 30, 2017, the date the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**

**(See Independent Auditors' Report)**

**COMMUNITY ACTION PROGRAM PLAN MAP - MERRIMACK COUNTIES, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED FEBRUARY 29, 2011**

FEDERAL GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS THROUGH NAME	IDENTIFYING NUMBER	EXPENDITURES	PASSED THROUGH TO SUB-RECIPIENTS
<b>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
Head Start	93.600		01CH2002-03-01	\$ 3,818,458	
Low Income Home Energy Assistance Program	93.608	State of New Hampshire	17B1NHLEJA	3,340,798	
Low Income Home Energy Assistance Program-WYK	93.608	State of New Hampshire	0-17B1NHLEJA	48,243	
Low Income Home Energy Assistance Program-HRRP	93.608	State of New Hampshire	0-10B1NHLEJA	97,645	
			TOTAL	3,486,694	
Community Service Block Grant	93.609	State of New Hampshire	0-16B1NHCOBR	308,818	
Social Services Block Grant-Home Delivered & Congregate	93.667	State of New Hampshire	06-95-48-481010-9256	271,378	
Social Services Block Grant-Service Link	93.667	State of New Hampshire	90AM221202	67,673	
			TOTAL	329,051	
<b>TANF CLUSTER</b>					
Temporary Assistance for Needy Families-Family Planning	93.558	State of New Hampshire	1602NH-TANF	21,628	
Temporary Assistance for Needy Families-Workplace Success	93.558	Southern New Hampshire Services	06-95-45-460010-61270000	182,038	
			CLUSTER TOTAL	203,661	
<b>AGING CLUSTER</b>					
Title III, Part B-Senior Transportation	93.044	State of New Hampshire	17AA-NH388	112,235	
Title III, Part B-REAS	93.044	State of New Hampshire	17AA-NH38P	924	
Title III, Part C-Congregate Meals	93.045	State of New Hampshire	17AA-NH3CM	180,171	
Title III, Part C-Home Delivered	93.045	State of New Hampshire	17AA-NH3HD	382,400	
NSP	93.053	State of New Hampshire	1068477	214,892	
			CLUSTER TOTAL	871,310	
<b>CHILD CARE AND DEVELOPMENT FUND CLUSTER</b>					
Child Care & Development Block Grant	93.575	State of New Hampshire		73,838	
Child Care Mandatory & Matching Funds of the CCDF	93.580	State of New Hampshire		80,693	
			CLUSTER TOTAL	160,698	
<b>MEDICAID CLUSTER</b>					
Medical Assistance Program-Service Link	93.778	State of New Hampshire	90NHP00008-01-00	8,717	
Medical Assistance Program-Veterans Independent Program	93.778	Gateways Community Services		18,949	
Medical Assistance Program-Veterans Program	93.778	Easter Seals of NH, Inc.		8,784	
			CLUSTER TOTAL	34,460	
Family Planning - Services	93.217	State of New Hampshire	FPHPAD18063	98,636	
HIV Preventive Activities - Health Dept. Based-Family Planning	93.940	State of New Hampshire	UG2P8003655	5,383	
ACA - Maternal, Infant, & Early Childhood Home Visiting Program	93.505	State of New Hampshire	06-95-60-802010-0631	95,168	
Maternal & Child Health Services Block Grant to the States	93.994	State of New Hampshire	804MC28113	21,518	
State Health Insurance Assistance Program-Service Link	93.324	State of New Hampshire	908AG003-02-00	22,131	
National Family Caregiver Support, Title III, Part E-Service Link	93.052	State of New Hampshire	17AA-NH3PC	32,283	
Special Programs for Aging, Title IV-Service Link	93.048	State of New Hampshire	90MPO24102	79,488	
ORIS Research Demonstrations & Evaluations	93.779	State of New Hampshire	908AG003-02-00	1,346	
Medicare Enrollment Assistance Program	93.071	State of New Hampshire	14AA-NH6ADR	72,185	
				9,453,995	
<b>US DEPARTMENT OF AGRICULTURE</b>					
Special Suppl. Nutrition Program for Women, Infants & Children	10.557	State of New Hampshire	15154NH703W1000	888,034	
Special Suppl. Nutrition Program for Women, Infants & Children	10.557	State of New Hampshire	15154NH743W5000	26,400	
			TOTAL	712,434	
Senior Farmers Market	10.576	State of New Hampshire	15154NH063Y8304	8,878	
Senior Farmers Market	10.576	State of New Hampshire	10154NH063Y8300	71,802	
			TOTAL	80,361	
Child & Adult Care Food Program	10.556	State of New Hampshire	NONE	228,848	
<b>CHILD NUTRITION CLUSTER</b>					
Summer Food Service Program For Children	10.559	State of New Hampshire	NONE PROVIDED	176,178	
<b>FOOD DISTRIBUTION CLUSTER</b>					
Emergency Supplemental Food Program	10.585	State of New Hampshire	15154NH814Y8006	728,388	\$ 653,083
Emergency Food Assistance Program-Administration	10.588	State of New Hampshire	81780000	194,838	
Emergency Food Assistance Program	10.588	State of New Hampshire	81780000	1,872,858	1,872,858
			CLUSTER TOTAL	2,896,784	2,227,861
Rural Housing Preservation Grants	10.433	Rural Development	0348-0004	320	
			USDA TOTAL	\$ 3,787,842	
<b>CORPORATION FOR NATIONAL &amp; COMMUNITY SERVICES</b>					
<b>FOSTER GRANDPARENTS/SENIOR COMPANION CLUSTER</b>					
Senior Companion Program	94.016		188CAN001	\$ 333,672	
<b>US DEPARTMENT OF TRANSPORTATION</b>					
Ferrous Grants for Rural Areas-Concord Transit	20.509	State of New Hampshire-Department of Transportation	NH-18-3048	651,303	
Ferrous Grants for Rural Areas-Winnipesaukee Transit	20.509	State of New Hampshire-Department of Transportation	NH-18-3048	96,887	
			TOTAL	810,890	
<b>TRANSIT SERVICES PROGRAMS CLUSTER</b>					
Enhanced Mobility of Seniors & Ind. W/Disabilities-CAT	20.813	State of New Hampshire-Department of Transportation	NH-18-3043	23,196	
Enhanced Mobility of Seniors & Ind. W/Disabilities-Rural Transportation	20.813	State of New Hampshire-Department of Transportation	NH-18-3043	123,778	
Enhanced Mobility of Seniors & Ind. W/Disabilities-Volunteer Drivers	20.813	Merrimack County	NH-65-X001	71,800	
			CLUSTER TOTAL	218,873	
			DOT TOTAL	\$ 829,463	
<b>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
Supportive Housing Program-Outreach	14.235	State of New Hampshire	NONE PROVIDED	18,748	
Supportive Housing Program-Homeless	14.235	State of New Hampshire	NONE PROVIDED	11,438	
Supportive Housing Program	14.235	State of New Hampshire	06-95-42-423010-7927-102-800731	86,808	
			TOTAL	86,808	
Emergency Solutions Grant	14.231	State of New Hampshire	06-95-42-423010-7927-102-800731	14,635	

Continuum of Care Program	14.267	State of New Hampshire	05-95-42-423010-7927-102-600731	84,887
Healthy Homes Technical Studies Grants-Radon Program	14.900	National Center for Healthy Housing	NCHH-14-1233	<u>2,245</u>
			HUD TOTAL	<u>\$ 160,362</u>
<b><u>US DEPARTMENT OF ENERGY</u></b>				
Weatherization Assistance for Low Income Persons	81.042	State of New Hampshire	EED006190	<u>\$ 188,100</u>
<b><u>US DEPARTMENT OF LABOR</u></b>				
Senior Community Service Employment Program	17.235	State of New Hampshire	1044701	471,168
<b><u>WIA/WIOA CLUSTER</u></b>				
WIA/WIOA - Adult Program	17.256	Southern New Hampshire Service	0510-43380000-102-600731	81,877
WIA/WIOA - Dislocated Worker Formula Grants	17.278	Southern New Hampshire Service	0610-43380000-102-600731	<u>88,104</u>
			CLUSTER TOTAL	<u>170,081</u>
			DOL TOTAL	<u>\$ 599,187</u>
			TOTAL	<u>\$ 18,332,733 \$ 3,227,851</u>

**COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Community Action Program Belknap-Merrimack Counties, Inc. under programs of the federal government for the year ended February 28, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Community Action Program Belknap-Merrimack Counties, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3 INDIRECT COST RATE**

Community Action Program Belknap-Merrimack Counties, Inc. has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4 FOOD COMMODITIES**

Nonmonetary assistance is reported in the Schedule at the fair value of the commodities received and disbursed.

**COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Community Action Program Belknap-Merrimack Counties, Inc.  
Concord, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Action Program Belknap-Merrimack Counties, Inc. (a nonprofit organization), which comprise the statement of financial position as of February 28, 2017, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 30, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Community Action Program Belknap-Merrimack Counties, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Action Program Belknap-Merrimack Counties, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Community Action Program Belknap-Merrimack Counties, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Leon McDonnell & Roberts*  
*Professional Association*

Concord, New Hampshire  
October 30, 2017

**COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Community Action Program Belknap-Merrimack Counties, Inc.  
Concord, New Hampshire

**Report on Compliance for Each Major Federal Program**

We have audited Community Action Program Belknap-Merrimack Counties, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Action Program Belknap-Merrimack Counties, Inc.'s major federal programs for the year ended February 28, 2017. Community Action Program Belknap-Merrimack Counties, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Community Action Program Belknap-Merrimack Counties, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Action Program Belknap-Merrimack Counties, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Action Program Belknap-Merrimack Counties, Inc.'s compliance.

**Opinion on Each Major Federal Program**

In our opinion, Community Action Program Belknap-Merrimack Counties, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended February 28, 2017.

**Report on Internal Control Over Compliance**

Management of Community Action Program Belknap-Merrimack Counties, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Action Program Belknap-Merrimack Counties, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Action Program Belknap-Merrimack Counties, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Leane McDonnell & Roberts*  
*Professional Association*

Concord, New Hampshire  
October 30, 2017

**COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

**SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Community Action Program Belknep-Merrimack Counties, Inc. were prepared in accordance with generally accepted accounting principles.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Community Action Program Belknep-Merrimack Counties, Inc., which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and On Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for Community Action Program Belknep-Merrimack Counties, Inc. expresses an unmodified opinion on all major programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs include:
  - 93.568 Low-Income Home Energy Assistance
  - 17.235 Senior Community Service Employment Program
  - FOOD DISTRIBUTION CLUSTER**
  - 10.565 Commodity Supplemental Food Program
  - 10.568 Emergency Food Assistance Program (Administrative Costs)
  - 10.569 Emergency Food Assistance Program (Food Commodities)
  - NON-FEDERAL**
  - NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION, Electric Assistance Program
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Community Action Program Belknep-Merrimack Counties, Inc. was determined to be a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS AUDIT**

None

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**SCHEDULE OF REVENUES AND EXPENSES  
FOR THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM - CFDA 93.568  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

	<u>Grant Period</u> <u>10/1/15-9/30/16</u>	<u>Grant Period</u> <u>10/1/16-9/30/17</u>	<u>Total</u>
<b>Revenues</b>			
Division of Human Resources	\$ 840,711	\$ 2,500,088	\$ 3,340,799
Agency support	<u>36,288</u>	<u>-</u>	<u>36,288</u>
	<u>\$ 876,999</u>	<u>\$ 2,500,088</u>	<u>\$ 3,377,087</u>
<b>Expenditures</b>			
Personnel	\$ 153,685	\$ 196,427	\$ 350,112
Fringe benefits	18,011	37,936	55,947
Travel	3,783	2,213	5,996
Occupancy	29,956	25,603	55,559
Direct program costs	635,259	2,213,931	2,849,190
Other costs	<u>36,305</u>	<u>23,978</u>	<u>60,283</u>
	<u>\$ 876,999</u>	<u>\$ 2,500,088</u>	<u>\$ 3,377,087</u>

See Independent Auditors' Report

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**SCHEDULE OF REVENUES AND EXPENSES  
FOR THE SENIOR COMPANION PROGRAM - CFDA 94.016  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

	<u>Grant Period</u> <u>7/1/15 - 6/30/16</u>	<u>Grant Period</u> <u>7/1/16 - 6/30/17</u>	<u>Total</u>
<b>Revenues</b>			
Corporation for National Services	\$ <u>130,956</u>	\$ <u>202,716</u>	\$ <u>333,672</u>
<b>Expenditures</b>			
Personnel	\$ 97,392	\$ 154,275	\$ 251,667
Fringe benefits	(8,582)	19,414	10,832
Travel	29,917	27,146	57,063
Other costs	<u>12,229</u>	<u>1,881</u>	<u>14,110</u>
	\$ <u>130,956</u>	\$ <u>202,716</u>	\$ <u>333,672</u>

See Independent Auditors' report

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**SCHEDULE OF REVENUES AND EXPENSES  
FOR THE HEAD START PROGRAM - CFDA 93.600  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

	<u>Grant Period</u> <u>1/1/16-12/31/16</u>	<u>Grant Period</u> <u>1/1/17-12/31/17</u>	<u>Total</u>
<b>Revenues</b>			
U.S. Department of Health and Human Services	\$ 3,014,211	\$ 605,248	\$ 3,619,459
In-Kind	430,127	130,994	561,121
Other	<u>21,022</u>	<u>-</u>	<u>21,022</u>
	<u>\$ 3,465,360</u>	<u>\$ 736,242</u>	<u>\$ 4,201,602</u>
<b>Expenditures</b>			
Personnel	\$ 1,919,792	\$ 421,587	\$ 2,341,379
Fringe benefits	307,344	32,948	340,292
Travel	36,960	7,205	44,165
Occupancy	295,062	63,268	358,330
In-Kind	430,127	130,994	561,121
Other costs	<u>476,113</u>	<u>80,240</u>	<u>556,353</u>
	<u>\$ 3,465,398</u>	<u>\$ 736,242</u>	<u>\$ 4,201,640</u>

See Independent Auditors' Report

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**SCHEDULE OF REVENUES AND EXPENSES  
FOR THE NUTRITION AND ELDER SERVICES PROGRAM -  
CFDA 93.045, 93.667 and 93.053  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

	<u>Grant Period</u> <u>7/1/15 - 6/30/16</u>	<u>Grant Period</u> <u>7/1/16 - 6/30/17</u>	<u>Total</u>
<b>Revenues</b>			
NH Department of Health and Human Services			
Title XX	\$ 150,685	\$ 325,417	\$ 476,102
Title III Part C	300,912	652,003	952,915
NH Department of Health and Human Services, NSIP	104,603	110,386	214,989
Other	<u>224,628</u>	<u>448,066</u>	<u>672,694</u>
	<u>\$ 780,828</u>	<u>\$ 1,535,872</u>	<u>\$ 2,316,700</u>
<b>Expenditures</b>			
Personnel	\$ 354,050	\$ 692,468	\$ 1,046,518
Fringe benefits	42,442	86,697	129,139
Occupancy	60,226	130,123	190,349
Travel	45,584	82,183	127,767
Other costs	<u>258,931</u>	<u>503,842</u>	<u>762,773</u>
	<u>\$ 761,233</u>	<u>\$ 1,495,313</u>	<u>\$ 2,256,546</u>

See Independent Auditors' Report

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**SCHEDULE OF REVENUES AND EXPENSES  
FOR THE ELECTRIC ASSISTANCE PROGRAM  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

	<u>Grant Period</u> <u>10/1/15-9/30/16</u>	<u>Grant Period</u> <u>10/1/16-9/30/17</u>	<u>Total</u>
<b>Revenues</b>	<b>\$ 875,325</b>	<b>\$ 1,063,733</b>	<b>\$ 1,939,058</b>
<b>Expenditures</b>			
Personnel	\$ 162,337	\$ 134,123	\$ 296,460
Fringe benefits	24,448	23,884	48,332
Travel	3,020	1,958	4,978
Occupancy	14,738	13,333	28,071
Other costs	670,432	890,435	1,560,867
	<u>\$ 874,975</u>	<u>\$ 1,063,733</u>	<u>\$ 1,938,708</u>

**Note:**

Tested as a major program for the year ended February 28, 2017. See Schedule of Findings and Questioned Costs on page 22.

See Independent Auditors' Report

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**SCHEDULE OF REVENUES AND EXPENSES - BY PROGRAM  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

	<u>Revenues</u>	<u>Expenditures</u>
Twin River Community Corp (055 & 056)	38,416	42,468
Cottage Hotel (066 & 067)	10,567	10,567
Sandy Ledge (095 & 096)	8,786	24,981
Ozanam (106 & 107)	12,000	18,697
Food Pantry (131)	21,075	15,533
Senior Center Program (138)	28,594	26,409
Franklin Intergenerational (186 & 187)	13,959	760
Mary Gale (207)	25,000	2,936
Senior Companion Program - Non Federal (225 & 226)	45,482	77,986
Senior Companion Program - State (235 & 236)	15,832	15,832
Franklin Community Services (295 & 296)	22,510	27,405
Head Start - Childcare (355 & 356)	1,097,490	797,744
Lakes Region Family Center (385 & 386)	158,231	158,231
NH Modular Ramp (434 & 435)	1,195	3,633
New Hampshire Housing Guarantee Program (495 & 496)	194,402	194,402
Core Program (505 & 506)	614,981	579,366
Common Pantry (555 & 556)	50	113
Oral Health WIC (600)	13,133	1,418
Epsom Elderly Housing (645 & 646)	63,640	63,640

**See Independent Auditors' Report**

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**SCHEDULE OF REVENUES AND EXPENSES - BY PROGRAM  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

	<u>Revenues</u>	<u>Expenditures</u>
Belmont Housing (656 & 657)	63,054	63,054
Alton Housing (666 & 667)	60,766	60,766
Kearsarge Housing (676 & 677)	69,648	67,831
Riverside Housing (686 & 687)	69,801	68,026
Pembroke Housing (701 & 702)	58,762	58,762
Homeless Revolving Loan (728)	5,909	5,909
Area Centers (766 & 767)	193,542	267,685
THE FIXIT Program (836 & 837)	-	1,185
Loan Guarantee Program (847)	34,483	34,483
MC Loan Guarantee Program (848)	3,283	3,283
The Caring Fund (866 & 867)	324	2,751
FGP/SCP Association Region 1 (875)	-	875
Agency WIC/CSFP (883)	4,417	1,306
Newbury Elderly Housing (885 & 886)	38,637	38,637
Housing Futures (897)	12,000	12,000
Agency Account (911 & 980)	145,341	147,450
Agency Account FAP (922)	83,987	97,662
Agency Account SCP (935 & 936)	9,751	3,589
H/S Agency (946 & 947)	22,692	25,330
Agency Development Fund (981)	27,351	37,305

**See Independent Auditors' Report**

**COMMUNITY ACTION PROGRAM BELKNAP - MERRIMACK COUNTIES, INC.**

**SCHEDULE OF REFUNDABLE ADVANCES  
FOR THE YEAR ENDED FEBRUARY 28, 2017**

<b><u>FUND #</u></b>	<b><u>FUND NAME</u></b>	<b><u>HHS PROGRAM CFDA#</u></b>	<b><u>AMOUNT</u></b>
128	EAP-Lead Agency		\$ 18,203
147	Merrimack County Service Link	93.778	114,553
198	Electric Assistance Program		49,915
497	NH Housing Guarantee Program		88,811
548	Summer Feeding		49,271
577	Fuel Assistance Program	93.568 (3,041 of deferred amount is not federal)	232,180
595	Homeless Prevention		222,363
717	Concord Area Transit		47,148
728	Homeless Revolving Loan Fund-Belknap County		30,407
729	Homeless Revolving Loan Fund-Merrimack County		8,179
737	Winnepesaukee Transit		18,892
837	FixIt Program		84,540
858	New Start Program		113,347
876	Emergency Solutions Grant		1,894
883	Agency Account-WIC/CSFP		1,250
908	Community Services Block Grant	93.589	72,913
947	Agency Account-Head Start		5,667
		<b>TOTAL</b>	<b><u>\$ 1,159,331</u></b>

See Independent Auditors' Report

**COMMUNITY ACTION PROGRAM  
BELKNAP-MERRIMACK COUNTIES, INC.**

**BOARD OF DIRECTORS**

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Sara A. Lewko, <i>President</i>	Theresa M. Cromwell
David Siff, Esq., <i>Vice President</i>	Susan Koerber
Dennis Martino, <i>Secretary-Clerk</i>	Christine Averill
Kathy Goode, <i>Treasurer</i>	Safiya Wazir
Heather Brown	Kathryn Hans
Nicolette Clark	Robert (Bob) Krieger

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**Community Action Program Belknap-Merrimack Counties, Inc.**

**NH Department of Health and Human Services  
Division of Family Assistance**

**Community Services Block Grant (CSBG) 10/01/18 – 9/30/19**

**Key Personnel Salaries and Allocation**

<b>Name</b>	<b>Job Title</b>	<b>Salary</b>	<b>% Paid from this Contract</b>	<b>Amount Paid from this Contract</b>
Jeanne Agri	Executive Director	\$ 132,651	85%	\$ 112,753.40
Kathryn R. Lavigne	Chief Accountant	\$ 70,941	0%	\$ 0.00
Steven E. Gregoire	Budget Analyst	\$ 45,825	0%	\$ 0.00

# *Jeanne Agri*

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## PROFESSIONAL PROFILE

Versatile and experienced leader with highly developed communication skills: written, verbal and presentational. Adept in coaching and mentoring employees and colleagues as evidenced by my selection by the National Office of Head Start to serve as a mentor for new Head Start Directors. Committed to continuous improvement of activities to ensure they meet outcomes approved by the board through strategic planning, creating goal-oriented systems and conformance with all local, state and federal guidance.

## WORK EXPERIENCE

Community Action Program Belknap-Merrimack Counties, Concord, NH

*Executive Director*

2018-present

- Assures the organization has long-range strategy which makes consistent and timely progress towards meeting the Agencies overall mission
- Responsible for the general supervision of all grant awards, ensuring that all statutory, regulatory, and /or program and financial requirements are met, that generally accepted accounting principles are applied, and that all program and financial policies and procedures are adhered to.
- Provide leadership in developing programs, organizational structures and financial systems that carry out the instructions and policies authorized by the Board
- Establish sound working relationships and cooperative arrangements with community groups, organizations and all funding sources important to the development of the agency and programs.
- See that the Board Director is kept fully informed and up to date on the condition of the organization and all important Federal, State or local requirements impacting on the Agency and/or its programs.

Southern New Hampshire Services, Manchester, NH

*Education and Nutrition Operations Director*

2016 - 2018

- Coordinate, manage and monitor workings of Child Development, Women Infant and Children, and Literacy Programs, as well as development of an agency wide Two-Generational Approach to services
- Formulate, improve and implement departmental and organizational policies and procedures to maximize output. Monitor adherence to rules, regulations, and procedures.
- Assist in the recruitment and placement of required staff; establishment of organizational structure; delegation of tasks and accountabilities
- Supervise staff, including establishment of work schedules and monitoring and evaluating performance in partnership with Executive Director
- Assist in development of strategic plans for operational activity; implement and manage operational plans

*Director of Child Development Programs*

2001-2016

- Hire, coach and evaluate the performance of Program Managers, Specialists, Coordinators, Center Directors, Teachers and Head Start support staff
- Provide coaching, and learning opportunities for all employees focused on promoting, supporting and improving early development of children from the prenatal stage to five years of age using research - based practices
- Plan and implement strategic interventions with Program Managers, Specialists, Coordinators and Center Directors for sites needing administrative support and direction
- Plan, coordinate and facilitate regular leadership meetings for evaluating and strengthening systems to maintain the highest quality of services in compliance with Head Start Performance Standards
- Develop internal structures, systems, and policies supporting major content areas of Head Start program including education, health, mental health, social services, parent involvement, nutrition, disabilities, and transportation

- Collaborate with managers and internal fiscal department in the monitoring and control of component budgets; identification and interpretation of Head Start and community needs; conformance to the Performance Standards and other regulatory requirements
- Work in partnership with internal departments to support project goals and meet customer expectations
- Establish and maintain relationships and collaborations with public school districts, systems of higher education, and other community agencies and partners
- Ensure adequate systems in place to maintain the highest quality of services to children and families in compliance with Head Start Performance Standards
- Ensure consistency in service delivery across the program with attention to inclusive practices and integration of component areas; encourage continuous improvement of systems.

*Quality Assurance Director/Co-Director for Child Development Programs* 1999-2001

- Established and managed a robust monitoring, analysis and evaluation system with well-defined results, milestones, and targets inclusive of Continuous Quality Improvement practices
- Monitored for quality and compliance at Grantee and Delegate level
- Worked closely with program Director to review, track and assess monitoring compliance throughout program operations
- Developed and implements a written quality assurance and performance evaluation plan in conjunction with Governing Board, Policy Council
- Interpreted and evaluated a variety of information to present it in meaningful oral or written form for varied audiences and provide reliable analysis leading to sound decision-making

*Area Manager/Education Manager* 1997-1999

- Supervision of various Child Care sites including direct supervision of Center Directors/Site Managers
- Coordinate personal and professional development and training plans for staff and ensure teaching staff progress towards educational requirements as supported by the Performance Standards
- Documented and administered both positive and negative feedback and utilize Performance Improvement Plans when warranted.

*Child Care Center Director/Site Manager* 1995-1997

- Supervised, mentored, coach and administered work plans and directives to staff
- Communicated areas of performance improvement to staff and promote training that reflected individual needs of staff members and the team as a whole
- Ensure program compliance with codes of state and local licensing agencies and grant requirements

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**New Hampshire Technical College, Nashua, NH**

*Instructor*

1995-1997

- Taught Child Growth & Development and assisted in curriculum development for Early Childhood Education Program
- Planned and organized instruction to maximize documented student learning
- Employed appropriate teaching and learning strategies to communicate subject matter to students
- Modified, where applicable, instructional methods and strategies to meet diverse student needs

**EDUCATION**

**Southern New Hampshire University, Manchester, NH**  
Master's in Business Administration

June 2017

**Notre Dame College, Manchester, NH**  
Bachelors of Arts in Elementary Education

1981

## **KATHRYN R. LAVIGNE**

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### **WORK EXPERIENCE**

- July 1993-Present      **CHIEF ACCOUNTANT**  
Community Action Program Belknap-Merrimack Counties, Inc.  
P.O. Box 1016, Concord, New Hampshire 03302-1016
- November 1992-  
June 1993              **SENIOR ACCOUNTANT**  
John Killion & Co., Concord, New Hampshire  
Responsible for compilations and reviews of commercial accounts, preparation of financial statements and tax returns. Auditing at junior level for nonprofit organizations. Preparation of weekly payrolls, quarterly payroll tax returns and year-end W-2's for service bureau accounts. Installation of accounting software. Set-up of clients chart of accounts and trial balance. Software used: Real World, Word Perfect, Cougar Mountain, Accountants Trial Balance, Fixed Assets Management and Tax Machine.
- January 1989-  
November 1992        **OFFICE MANAGER**  
Rudolph Electrical Co., Inc., Concord, New Hampshire  
Supervise staff of three. Responsible for implementing computerized accounting system. Handle all aspects of accounting, i.e. accounts receivable, accounts payable, payroll, general ledger and job cost. Responsible for preparation of weekly payroll, monthly financial statements and quarterly payroll tax returns. Collect overdue accounts.
- October 1979-  
September 1988        Rivco, Penacook, New Hampshire
- June 1986-  
September 1988        **ACCOUNTING MANAGER**  
Supervise staff of seven. Responsible for hiring, assigning, appraising performance and directing department personnel, including recommending compensation changes and promotions. Participant in audit preparation. Administrator of profit sharing plan and trip promotion program.
- August 1984-  
September 1988        **CREDIT MANAGER**  
Monitor all accounts and collect overdue accounts. Determine credit rating of prospective customers. Open accounts. Consult with lawyers, salesmen and sales manager. Represent company in court. Handle customer correspondence and telephone calls. Train and supervise credit personnel.
- October 1979-  
August 1984            **ACCOUNTS RECEIVABLE CLERK**  
Handle all aspects of accounts receivable and billing. Reconcile accounts. Prepare monthly sales reports and aged trial balance by customer and by salesmen.

### **EDUCATION**

- 1982-1989  
✓  
Franklin Pierce College, Concord, New Hampshire  
Bachelor's Degree in Accounting and Business Management  
May 1989, Graduated Magna Cum Laude
- 1963-1967  
Franklin High School, Franklin, New Hampshire  
Business-Secretarial, Graduated with high honors

### **REFERENCES**

Available upon request.

# STEVEN E. GREGOIRE

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## PROFESSIONAL EXPERIENCE:

### **COMMUNITY ACTION PROGRAM BELKNAP-MERRIMACK COUNTIES, INC.**

Budget Analyst June 2012 - Current

Certifier-Fuel Assistance/Electrical Assistance Programs, Aug 2011 – April 2012

### **THE BEAN GROUP, Portsmouth, NH**

Licensed Realtor, Sept 2010 – April 2011

### **MEREDITH VILLAGE SAVINGS BANK, Meredith NH**

VP Finance & VP Compliance & Bank Secrecy Act Officer, Sept 2007 – Dec 2008

VP Finance, & VP Compliance Officer, April 2002 – Sept 2007

Assistant Treasurer & Compliance Officer, Sept 1998 – April 2002

Assistant Treasurer, June 1998 – Sept 1998

### **NH STATE BANKING DEPARTMENT, Concord, NH**

Bank Examiner III, March 1995 - June 1998

Bank Examiner II, April 1994 – March 1995

Bank Examiner I, March 1992 – April 1994

### **STEVE'S MAINTENANCE SERVICE, Meredith & Bow NH**

Owner / Operator, March 1988 – June 2012

### **MEREDITH LUMBER INC., Meredith NH**

Vice President, Sept 1983 – February 1988

## EDUCATION

**Bentley College, Waltham, MA**

Bachelor of Science Degree in Management May 1983

Associates of Science Degree in Accountancy May 1983

Subject: Community Services Block Grant (CSBG)/SS-2019-BHS-02-COMMU-03

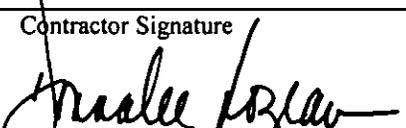
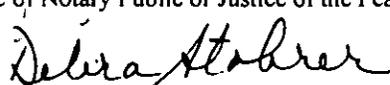
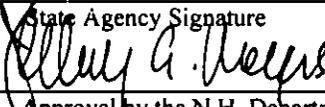
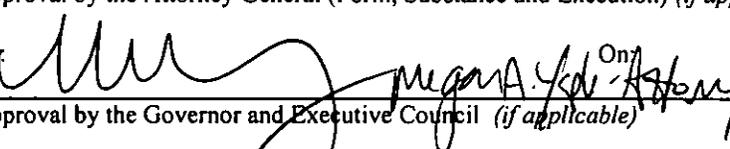
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Southern NH Services		1.4 Contractor Address 40 Pine Street PO Box 5040 Manchester, NH 03103	
1.5 Contractor Phone Number 603-668-8010	1.6 Account Number 05-095-045-450010-71480000-102-500731-45012170	1.7 Completion Date September 30, 2019	1.8 Price Limitation \$2,268,479
1.9 Contracting Officer for State Agency Nathan D. White, Director Bureau of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Donnalee Lozeau, Executive Director	
1.13 Acknowledgement: State of <u>New Hampshire</u> of <u>Hillsborough</u> On <u>Dec 17, 2018</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace <u>Debra Stohrer</u> DEBRA D. STORER Notary Public - New Hampshire My Commission Expires November 18, 2020			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory <u>Jeffrey A. Deepens, Commissioner</u>	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: <u>1/22/19</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**

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

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

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

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

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

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

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

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

**7. PERSONNEL.**

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

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

Agreement. This provision shall survive termination of this Agreement.

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

#### 8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

#### 9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

#### 14. INSURANCE.

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

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

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

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

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

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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

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

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

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

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

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

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

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

Contractor Initials DC  
Date DEC 17-2018



Exhibit A

## Scope of Services

### 1. Provisions Applicable to All Services

- 1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. In accordance with the provisions of The Community Services Block Grant Act (42 U.S.C. et seq) as amended by Public Law 105-285 of October 27, 1998, also known as the Community Opportunities Accountability, Training and Educational Act of 1998 or the Coats Human Services Reauthorization Act of 1998; and any amendments thereto, the Contractor agrees to deliver Community Services to low-income individuals at or below 125 percent of the poverty income guidelines.
- 1.4. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 biennia.
- 1.5. For the purposes of this Agreement, the Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.0. et seq.

### 2. Scope of Services

- 2.1. The Contractor shall remain a designated Community Services Block Grant (CSBG) eligible entity by conforming to the requirements of the Acts referred to in Section 1 and any amendments thereto, which includes but is not limited to:
  - 2.1.1. Providing an annual community action plan, which shall describe:
    - 2.1.1.1. The service delivery system;
    - 2.1.1.2. Linkages to fill identified gaps; and
    - 2.1.1.3. Coordination with other public and private resources, and innovative initiatives.
  - 2.1.2. Providing of an annual community-needs assessment;
  - 2.1.3. Providing of an independent annual "Single Audit Act" audit;



Exhibit A

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- 2.1.4. Participating in an annual performance measure system via the Annual Report;
  - 2.1.5. Participating in the Organizational Performance Standards;
  - 2.1.6. Administering CSBG through a tripartite board that participates in the development, planning, implementation, and evaluation of the program;
  - 2.1.7. Ensuring that cost and accounting standards of the Office of Management and Budget are in effect; and
  - 2.1.8. Informing custodial parents in single-parent families about child support services and refer eligible parents to child support offices.
- 2.2. The Contractor shall provide, on an emergency basis, services to counteract conditions of starvation and malnutrition.
- 2.3. The Contractor shall coordinate, establish linkages and form partnerships with governmental as well as other social services and antipoverty programs.



Exhibit B

**Method and Conditions Precedent to Payment**

1. The State shall pay the Contractor an amount not to exceed the Form P-37, General Provisions, Block 1.8, Price Limitation, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. This Agreement is funded with funds from the Catalog of Federal Domestic Assistance, CFDA #93.569, Community Services Block Grant, Department of Health and Human Services, Administration for Children and Families.
3. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.
4. Payment for said services shall be made monthly as follows:
  - 4.1. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement.
  - 4.2. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month.
  - 4.3. Invoices must be completed, signed, dated and returned to the Department in order to initiate payment. The Contractor will keep detailed records of their activities related to DHHS-funded programs and services.
  - 4.4. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.
  - 4.5. Invoices must be submitted to:  
CSBG Coordinator  
Department of Health and Human Services  
Bureau of Housing Supports  
129 Pleasant Street  
Concord, NH 03301
  - 4.6. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.
5. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule, or regulation applicable to the services provided, or if the said services have not been completed in accordance with the terms and conditions of this Agreement.



**SPECIAL PROVISIONS**

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

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



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

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

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



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

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



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

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

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

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

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

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



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

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

**20. Contract Definitions:**

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

*MC*  
*Dec 17-2018*



**REVISIONS TO GENERAL PROVISIONS**

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
  4. **CONDITIONAL NATURE OF AGREEMENT.**  
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
  - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
  - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
  - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
  - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
  - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Renewal:**  
The Department reserves the right to extend this Agreement for up to three (3) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council.



**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

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

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

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

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

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

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

New Hampshire Department of Health and Human Services  
Exhibit D



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

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

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

Dec 17-2018  
Date

Contractor Name: Southern New Hampshire Services

Donnalee Lozeau  
Name: Donnalee Lozeau  
Title: Executive Director



**CERTIFICATION REGARDING LOBBYING**

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

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

Programs (indicate applicable program covered):

- \*Temporary Assistance to Needy Families under Title IV-A
- \*Child Support Enforcement Program under Title IV-D
- \*Social Services Block Grant Program under Title XX
- \*Medicaid Program under Title XIX
- \*Community Services Block Grant under Title VI
- \*Child Care Development Block Grant under Title IV

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

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

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

Contractor Name: Southern New Hampshire Services

Dec 17-2018  
Date

Name: Donnalee Lozeau  
Title: Executive Director



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

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

**INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and



information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

**PRIMARY COVERED TRANSACTIONS**

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

**LOWER TIER COVERED TRANSACTIONS**

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
- 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
  - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name: Southern New Hampshire Services

Dec 17-2018  
Date

DonnaLee Lozano  
Name: DonnaLee Lozano  
Title: Executive Director

Contractor Initials: DL  
Date: Dec 17-2018



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

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

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

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

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

Exhibit G

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

Contractor Initials

*DC*

New Hampshire Department of Health and Human Services  
Exhibit G



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

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

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

Contractor Name: Southern New Hampshire Services

Dec 17-2018  
Date

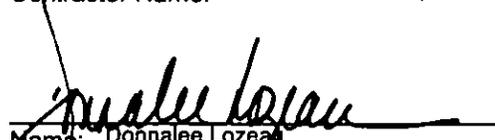
  
Name: Donnalee Lozano  
Title: Executive Director

Exhibit G

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

Contractor Initials DL

Date Dec 17-2018



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

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

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name: Southern New Hampshire Services

Dec 17-2018  
Date

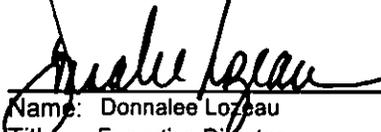
  
Name: Donnalee Lozau  
Title: Executive Director



Exhibit I

**HEALTH INSURANCE PORTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

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

(1) **Definitions.**

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

*[Handwritten Signature]*  
Date *Dec 17-2018*



Exhibit I

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

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

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



Exhibit I

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

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

**(3) Obligations and Activities of Business Associate.**

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

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

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

*SC*  
Date 12.17-2018



Exhibit I

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

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

*[Handwritten Signature]*  
Date Dec 17-2018



Exhibit I

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

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

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

**(6) Miscellaneous**

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



Exhibit I

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

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

Department of Health and Human Services  
 The State  
 Signature of Authorized Representative  
 Name of Authorized Representative  
 Title of Authorized Representative  
 Date

*Jeffrey A. Meyer*  
*Jeffrey A. Meyer*  
 Commissioner  
 1.15.19

Southern New Hampshire Services  
 Name of the Contractor  
 Signature of Authorized Representative  
 Name of Authorized Representative  
 Executive Director  
 Title of Authorized Representative  
 Date

*Donnalee Lozeau*  
 Donnalee Lozeau  
 Executive Director  
 Dec 17 2018



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

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

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

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

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

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

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

Contractor Name: Southern New Hampshire Services

Dec 17-2018  
Date

Donnalee Lozeau  
Name: Donnalee Lozeau  
Title: Executive Director



**FORM A**

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

1. The DUNS number for your entity is: 088584065
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

           NO                        X   YES

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

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

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

           NO                        X   YES

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

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

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

Name: _____	Amount: _____



A. Definitions

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

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

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

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



Exhibit K

DHHS Information Security Requirements

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

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

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

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

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*DEC 17 2018*



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

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

## II. METHODS OF SECURE TRANSMISSION OF DATA

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

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*12/17/2018*



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

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

### III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

#### A. Retention

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

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DEC 17 2018



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

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

**B. Disposition**

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

**IV. PROCEDURES FOR SECURITY**

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

*MC*  
*DEC 17 2018*



Exhibit K

DHHS Information Security Requirements

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

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*12.17.2018*



Exhibit K

DHHS Information Security Requirements

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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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DEC 17-2018



Exhibit K

DHHS Information Security Requirements

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

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

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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

*DL*  
12/17/2018



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

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

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

*DC*  
*Dec 17-2018*

# 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 SOUTHERN NEW HAMPSHIRE SERVICES INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 28, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 65506



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 3rd day of April A.D. 2017.

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

William M. Gardner  
Secretary of State

## Business Information

### Business Details

Business Name:	SOUTHERN NEW HAMPSHIRE SERVICES INC.	Business ID:	65506
Business Type:	Domestic Nonprofit Corporation	Business Status:	Good Standing
Business Creation Date:	05/28/1965	Name in State of Incorporation:	Not Available
Date of Formation in Jurisdiction:	05/28/1965		
Principal Office Address:	40 Pine St, Manchester, NH, 03103, USA	Mailing Address:	P O Box 5040, Manchester, 03103, USA
Citizenship / State of Incorporation:	Domestic/New Hampshire		
		Last Nonprofit Report Year:	2015
		Next Report Year:	2020
Duration:	Perpetual		
Business Email:	NONE	Phone #:	NONE
Notification Email:	NONE	Fiscal Year End Date:	NONE

### Principal Purpose

S.No	NAICS Code	NAICS Subcode
1	Other Services (except Public Administration)	Civic and Social Organizations
2	NOT REQUIRED	

Page 1 of 1, records 1 to 2 of 2

WITHOUT SEAL

**CERTIFICATE OF VOTE**

I, Orville Kerr, of Southern New Hampshire Services, Inc., do hereby certify that:

1. I am the duly elected Secretary of Southern New Hampshire Services, Inc.;

2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the corporation, duly held on September 8, 2018;

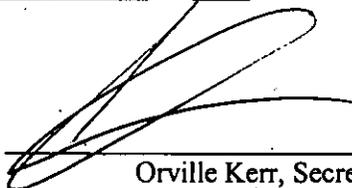
RESOLVED: That this corporation enters into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, Division of Public Health Services.

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

Donnalee Lozeau is the duly elected Executive Director of the corporation.

3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of December 17, 2018.

IN WITNESS WHEREOF, I have hereunto set my hand as the Secretary of the corporation this 17<sup>th</sup> day of December, 2018.



Orville Kerr, Secretary

STATE OF NEW HAMPSHIRE

COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 17<sup>th</sup> day of December, 2018 by Orville Kerr



Notary Public

My Commission Expires:

**DEBRA D. STOHRER**  
Notary Public - New Hampshire  
My Commission Expires November 18, 2020



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
01/23/2019

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

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

<b>PRODUCER</b> CGI Business Insurance 171 Londonderry Turnpike Hooksett NH 03106		<b>CONTACT NAME:</b> Teri Davis <b>PHONE (A/C, No, Ext):</b> (888) 841-4800 <b>FAX (A/C, No):</b> (603) 622-4618 <b>E-MAIL ADDRESS:</b> TDavis@CGIBusinessInsurance.com	
<b>INSURED</b> Southern New Hampshire Services Inc; PO Box 5040 Manchester NH 03108		<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Cincinnati Insurance Company <b>INSURER B:</b> Eastern Alliance (fmr Great Falls) <b>INSURER C:</b> Lloyds of London Insurance A 15 <b>INSURER D:</b> Philadelphia Insurance <b>INSURER E:</b> <b>INSURER F:</b>	

**COVERAGES**      **CERTIFICATE NUMBER:** 18-19 Master      **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD 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 <input checked="" type="checkbox"/> EPLI <input checked="" type="checkbox"/> Professional Liability GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:		ETD 041 72 57	12/31/2016	12/31/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 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 Employee Benefits \$ 1,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY		ETA0417260	12/31/2018	12/31/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist BI \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		ETD 041 72 57	12/31/2016	12/31/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
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	01-0000112165-01	12/31/2018	12/31/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
C	Pollution Liability		1242004475/018	01/24/2018	01/24/2019	Each Occurrence Limit 1,000,000 Aggregate 1,000,000

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

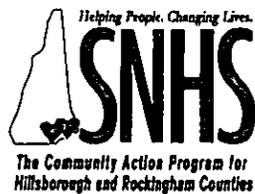
Workers Comp: 3A State: NH, ME

Additional Insurance:

Carrier D: D&O/EPLI/Fiduciary Liability Coverage #PSD1401015 Effective 12/2/2018-12/2/2019 \$1,000,000 Aggregate Limit.

<b>CERTIFICATE HOLDER</b> NH Department of Health and Human Services 129 Pleasant St Concord NH 03301-3857	<b>CANCELLATION</b> 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 
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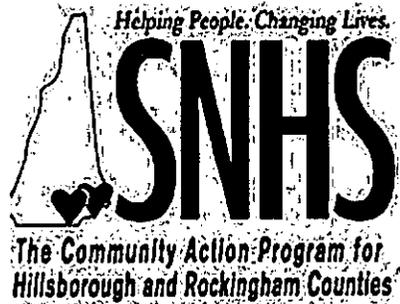
**SOUTHERN NEW HAMPSHIRE SERVICES**  
*The Community Action Partnership for Hillsborough and Rockingham Counties*  
*Helping People. Changing Lives.*

**MISSION STATEMENT**

Southern New Hampshire Services, Inc. (SNHS) is a private non-profit corporation chartered in the State of New Hampshire, May 21, 1965 to serve as the Community Action Partnership for Hillsborough County in compliance with the Economic Opportunity Act of 1964. From 1965 through 1969, SNHS was known as the Community Action Agency for Hillsborough County and served the City of Nashua and the twenty-nine towns. In 1969 SNHS became the Community Action Partnership for the City of Manchester as well. In 1974 the agency's name was changed to Southern New Hampshire Services, Inc. In July 2011, Rockingham Community Action (RCA), the Community Action Agency serving Rockingham County, was merged with Southern New Hampshire Services. As a result of this merger, SNHS now provides services to residents of the 65 towns and 3 cities in Hillsborough and Rockingham Counties.

The Economic Opportunity Act of 1964 and subsequent federal legislation establishing the Community Services Block Grant define our basic mission. Under these provisions the fundamental mission of SNHS is:

- A. To provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem.
- B. To provide activities designed to assist low-income participants including homeless individuals and families, migrants, and the elderly poor to:
  1. Secure and retain meaningful employment
  2. Attain an adequate education
  3. Make better use of available income
  4. Obtain and maintain adequate housing and a suitable living environment
  5. Obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and employment related assistance
  6. Remove obstacles and solve problems which block the achievement of self-sufficiency
  7. Achieve greater participation in the affairs of the community, and
  8. Make more effective use of other programs related to the purposes of the enabling federal legislation.
- C. To provide on an emergency basis for the provision of such supplies and services, nutritious foodstuffs, and related services, as may be necessary to counteract conditions of starvation and malnutrition among the poor.
- D. To coordinate and establish linkages between governmental and other social service programs to assure the effective delivery of such services to low-income individuals.
- E. To encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community.



**SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE**

**SINGLE AUDIT REPORT**

**YEAR ENDED JULY 31, 2017**

**SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE**

**SINGLE AUDIT REPORT**

**YEAR ENDED JULY 31, 2017**

---

***TABLE OF CONTENTS***

	<i>Page</i>
<b>Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i></b>	<b>1</b>
<b>Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance and Schedule of Expenditures of Federal Awards Required by the Uniform Guidance</b>	<b>3</b>
<b>Schedule of Expenditures of Federal Awards</b>	<b>6</b>
<b>Notes to Schedule of Expenditures of Federal Awards</b>	<b>9</b>
<b>Schedule of Findings and Questioned Costs</b>	<b>10</b>
<b>Financial Report</b>	

**OUELLETTE & ASSOCIATES, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS

Mark R. Carrier, C.P.A.  
Michael R. Dunn, C.P.A.  
Jonathan A. Hussey, C.P.A., M.S.T.  
Steven R. Lamontagne, C.P.A.

Gary W. Soucy, C.P.A.  
Gary A. Wigant, C.P.A.  
C. Joseph Wolverton, Jr., C.P.A.

**Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With *Government Auditing Standards***

To the Board of Directors  
Southern New Hampshire Services, Inc. and Affiliate  
Manchester, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Southern New Hampshire Services, Inc. (the Organization) and affiliate, which comprise the combined statement of financial position as of July 31, 2017, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated January 19, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the combined financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's combined financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ouellette & Associates, P.A.*  
Certified Public Accountants

January 19, 2018  
Lewiston, Maine

# OUELLETTE & ASSOCIATES, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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## **Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance and Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

To the Board of Directors  
Southern New Hampshire Services, Inc. and Affiliate  
Manchester, New Hampshire

### **Report on Compliance for Each Major Federal Program**

We have audited Southern New Hampshire Services, Inc. (the Organization) and affiliate's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southern New Hampshire Services, Inc. and affiliate's major federal programs for the year ended July 31, 2017. Southern New Hampshire Services, Inc. and affiliate's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Southern New Hampshire Services, Inc. and affiliate's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Southern New Hampshire Services, Inc. and affiliate's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Southern New Hampshire Services, Inc. and affiliate's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Southern New Hampshire Services, Inc. and affiliate complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2017.

### **Report on Internal Control over Compliance**

Management of Southern New Hampshire Services, Inc. and affiliate is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southern New Hampshire Services, Inc. and affiliate's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Southern New Hampshire Services, Inc. and affiliate's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

We have audited the combined financial statements of Southern New Hampshire Services, Inc. and affiliate as of and for the year ended July 31, 2017, and have issued our report thereon dated January 19, 2018, which contained an unmodified opinion on those combined financial statements. Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Ouellette & Associates, P.A.*  
Certified Public Accountants

January 19, 2018  
Lewiston, Maine

**SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JULY 31, 2017**

Federal Grantor Pass-Through Grantor <u>Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Identifying Number</u>	<u>Subrecipient Expenditures</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Agriculture:</u></b>				
<i>Pass-Through State of New Hampshire Department of Health and Human Services</i>				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557 10.557	174NH703W1003 SF2018-02(LA)		\$ 1,236,057 <u>104,467</u> 1,340,524
Commodity Supplemental Food Program	10.565 10.565	174NH703W1003 SF2018-02(LA)		127,693 <u>11,403</u> 139,096
<i>Pass-Through State of New Hampshire Department of Education</i>				
Child and Adult Care Food Program	10.558			973,870
Summer Food Service Program for Children	10.559			<u>84,743</u>
<b>Total U.S. Department of Agriculture</b>				<b>\$ <u>2,538,233</u></b>
<b><u>U.S. Department of Housing and Urban Development:</u></b>				
<i>Direct Program</i>				
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249			\$ 370,587
<i>Pass-Through State of New Hampshire Department of Health and Human Services</i>				
Emergency Solutions Grant Program	14.231	E16-DC-33-0001		73,361
<i>Pass-Through Belknap Merrimack Community Action Program</i>				
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900			8,429
<i>Pass-Through the City of Nashua, NH</i>				
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	NHLB0574-14		<u>70,621</u>
<b>Total U.S. Department of Housing and Urban Development</b>				<b>\$ <u>522,998</u></b>
<b>Subtotal</b>				<b>\$ <u>3,061,231</u></b>

**SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)**

**YEAR ENDED JULY 31, 2017**

<u>Federal Grantor Pass-Through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Identifying Number</u>	<u>Subrecipient Expenditures</u>	<u>Federal Expenditures</u>
<b>Amount Forward</b>				<b>\$ 3,061,231</b>
<b><u>U.S. Department of Labor:</u></b>				
<i>Pass-Through State of New Hampshire Department of Resources and Economic Development</i>				
<b><u>WIOA Cluster</u></b>				
WIA/WIOA Adult Program	17.258	02-6000618	\$ 314,717	\$ 1,709,991
	17.258			<u>108,584</u>
				1,818,575
WIA/WIOA – Dislocated Worker Formula Grants	17.278	02-6000618	<u>143,780</u>	1,269,980
	17.278			<u>127,937</u>
				<u>1,397,917</u>
<b>Total WIOA Cluster</b>			<b><u>458,497</u></b>	<b><u>3,216,492</u></b>
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	02-6000618	438,038	1,859,302
	17.277			<u>177,016</u>
				<u>2,036,318</u>
<b>Total U.S. Department of Labor</b>			<b>\$ <u>896,535</u></b>	<b>\$ <u>5,252,810</u></b>
<b><u>U.S. Department of Energy:</u></b>				
<i>Pass-Through State of New Hampshire Governor's Office Office of Planning</i>				
Weatherization Assistance for Low-Income Persons	81.042	EE0006169		\$ 432,025
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128			<u>11,325</u>
<b>Total U.S. Department of Energy</b>				<b>\$ <u>443,350</u></b>
<b><u>U.S. Department of Education:</u></b>				
<i>Pass-Through State of New Hampshire Department Of Education</i>				
Adult Education – Basic Grants to States	84.002	67011-ABE		\$ 40,349
<b>Total U.S. Department of Education</b>				<b>\$ 40,349</b>
<b><u>Corporation for National and Community Services:</u></b>				
<i>Direct Program</i>				
Retired and Senior Volunteer Program	94.002	14SRANH003		\$ 107,870
	94.002	17SRANH003		<u>40,805</u>
<b>Total Corporation for National and Community Services</b>				<b>\$ <u>148,675</u></b>
<b>Subtotal</b>			<b>\$ <u>896,535</u></b>	<b>\$ <u>8,946,415</u></b>

**SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)**

**YEAR ENDED JULY 31, 2017**

Federal Grantor Pass-Through Grantor <u>Program or Cluster Title</u>	Federal CFDA <u>Number</u>	Pass-Through Identifying <u>Number</u>	Subrecipient <u>Expenditures</u>	Federal <u>Expenditures</u>
<b>Amount Forward</b>			<b>\$ <u>896,535</u></b>	<b>\$ <u>8,946,415</u></b>
<b><u>U.S. Department of Health and Human Services:</u></b>				
<b><i>Direct Program</i></b>				
Head Start	93.600	01CH2057/04		\$ 5,775,184
	93.600	01HP0009/02		<u>275,352</u>
				6,050,536
<b><i>Pass-Through State of New Hampshire Office of Energy and Planning</i></b>				
Low-Income Home Energy Assistance	93.568	G-16B1NHLIEA		229,750
	93.568	G-17B1NHLIEA		<u>7,217,345</u>
				7,447,095
Special Programs for the Aging Title III Part B Grants for Supportive Services and Senior Centers	93.044	15AANHT3SP		14,515
<b><i>Pass-Through State of New Hampshire Department Of Health and Human Services</i></b>				
Temporary Assistance for Needy Families	93.558	2016G996115	\$ 849,733	2,569,065
	93.558	2017G996115		<u>212,927</u>
			<u>849,733</u>	<u>2,781,992</u>
Community Services Block Grant	93.569	G-16B1NHCOSR		1,312,992
Community Services Block Grant – Discretionary Awards	93.570	G-16B1NHCOSR		68,043
<b><u>CCDF Cluster</u></b>				
Child Care and Development Block Grant	93.575	2016G996005		896,722
Child Care Mandatory and Matching Funds of The Child Care and Development Fund	93.596	2016G999004		<u>888,195</u>
<b>Total CCDF Cluster</b>				<u>1,784,917</u>
<b><i>Pass-Through Manchester Community Health</i></b>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79SM061289		<u>59,879</u>
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ <u>849,733</u></b>	<b>\$ <u>519,519,969</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ <u>1,746,268</u></b>	<b>\$ <u>28,466,384</u></b>

**SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JULY 31, 2017**

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Southern New Hampshire Services, Inc. and affiliate under programs of the federal government for the year ended July 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southern New Hampshire Services, Inc. and affiliate, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Southern New Hampshire Services, Inc. and affiliate.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

**NOTE 3: HEAD START PROGRAMS CFDA #93.600**

In accordance with terms of the grant award, the Organization has met its matching requirements during the year ended July 31, 2017.

**NOTE 4: INDIRECT COST RATE**

Southern New Hampshire Services, Inc. and affiliate has negotiated an indirect cost rate of 9.1% with the Department of Health and Human Services.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JULY 31, 2017

**Section I Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:  
Material weakness(es) identified?        Yes   √   No

Significant deficiency(ies) identified?        Yes   √   None reported

Noncompliance material to financial statements noted?        Yes   -√   No

**Federal Awards**

Internal control over major programs:  
Material weakness(es) identified?        Yes   √   No

Significant deficiency(ies) identified?        Yes   √   None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with CFR Section 200.156(a) of the Uniform Guidance?        Yes   √   No

**Identification of major programs:**

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557
Temporary Assistance for Needy Families	93.558
Low-Income Home Energy Assistance	93.568

Dollar threshold used to distinguish between Type A and Type B programs:        **\$853,992**

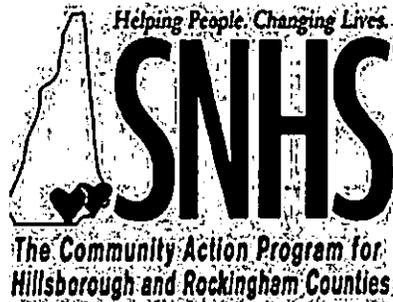
Auditee qualified as low-risk auditee?   √   Yes        No

**Section II Financial Statement Findings**

No matters are reportable.

**Section III Federal Award Findings and Questioned Costs**

No matters are reportable.



**SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE**

**COMBINED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED JULY 31, 2017 AND 2016**

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

FINANCIAL STATEMENTS

JULY 31, 2017 AND 2016

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**CONTENTS**

	<b>PAGE</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1 - 2</b>
<b>FINANCIAL STATEMENTS</b>	
<i>Combined Statements of Financial Position</i>	<b>3</b>
<i>Combined Statements of Activities</i>	<b>4</b>
<i>Combined Statements of Functional Expense</i>	<b>5 - 8</b>
<i>Combined Statements of Cash Flows</i>	<b>9 - 10</b>
<i>Notes to Combined Financial Statements</i>	<b>11 - 19</b>
<b>INDEPENDENT AUDITOR'S REPORT SUPPLEMENTARY INFORMATION</b>	<b>20</b>
<b>COMBINING INFORMATION:</b>	
<i>Schedule A - Combining Schedule of Financial Position</i>	<b>21</b>
<i>Schedule B - Combining Schedule of Activities</i>	<b>22</b>
<b>SUPPLEMENTARY INFORMATION REQUIRED BY THE STATE OF NEW HAMPSHIRE GOVERNOR'S OFFICE OF ENERGY AND COMMUNITY SERVICES:</b>	
<i>Schedule of Revenues and Expenses - By Contract</i>	<b>23 - 27</b>
<b>SUPPLEMENTARY INFORMATION REQUIRED BY THE NEW HAMPSHIRE HOUSING FINANCE AUTHORITY</b>	
<i>Statement of Financial Position</i>	<b>28</b>
<i>Statement of Activities</i>	<b>29</b>
<i>Additional Required Schedules and Financial Information</i>	<b>30 - 33</b>

**OUELLETTE & ASSOCIATES, P.A.**  
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Southern New Hampshire Services, Inc. and Affiliate  
Manchester, New Hampshire

**Report on the Financial Statements**

We have audited the accompanying combined financial statements of Southern New Hampshire Services, Inc. (a nonprofit organization) and affiliate, which comprise the combined statements of financial position as of July 31, 2017 and 2016, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

***Opinion***

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Southern New Hampshire Services, Inc. and affiliate, as of July 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated January 19, 2018 on our consideration of Southern New Hampshire Services, Inc. and affiliate's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southern New Hampshire Services, Inc. and affiliate's internal control over financial reporting and compliance.

***Ouellette & Associates, P.A.***  
Certified Public Accountants

January 19, 2018  
Lewiston, Maine

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## COMBINED STATEMENTS OF FINANCIAL POSITION

JULY 31, 2017 AND 2016

<b>ASSETS</b>		
	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 5,889,396	\$ 6,057,093
Investments	8,375,305	6,352,626
Contracts receivable	3,790,824	3,415,218
Accounts receivable	590,607	636,656
Prepaid expenses	75,410	108,101
Under applied overhead	113,924	67,158
Total current assets	<u>18,835,466</u>	<u>16,636,852</u>
<b>FIXED ASSETS</b>		
Land	2,313,783	2,318,782
Buildings and improvements	10,429,907	10,426,659
Vehicles and equipment	1,285,271	1,275,367
Total fixed assets	<u>14,028,961</u>	<u>14,020,808</u>
Less - accumulated depreciation	4,720,487	4,516,633
Net fixed assets	<u>9,308,474</u>	<u>9,504,175</u>
<b>OTHER ASSETS</b>		
Restricted cash	<u>211,188</u>	190,201
<b>TOTAL ASSETS</b>	<u>\$ 28,355,128</u>	<u>\$ 26,331,228</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt	\$ 121,437	\$ 119,080
Accounts payable	471,715	544,344
Accrued payroll and payroll taxes	1,330,368	974,989
Accrued compensated absences	326,281	498,403
Accrued other liabilities	347,332	211,737
Refundable advances	1,137,688	1,316,308
Tenant security deposits	68,705	62,654
Total current liabilities	<u>3,803,526</u>	<u>3,727,515</u>
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, less current portion	<u>2,330,118</u>	2,440,409
<b>TOTAL LIABILITIES</b>	<u>6,133,644</u>	<u>6,167,924</u>
<b>NET ASSETS</b>		
Unrestricted	<u>22,221,484</u>	<u>20,163,304</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 28,355,128</u>	<u>\$ 26,331,228</u>

See independent auditor's report and accompanying notes to the financial statements.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

COMBINED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JULY 31, 2017 AND 2016

	2017	2016
<b>REVENUES, GAINS AND OTHER SUPPORT</b>		
Grant and contract revenue	\$ 33,840,476	\$ 33,036,202
Program service fees	1,011,973	977,289
Local funding	352,618	337,540
Rental income	945,056	637,038
Gifts and contributions	207,972	1,084,502
Interest and dividend income	262,258	305,297
Unrealized gain (loss) on investments	761,151	(195,356)
Miscellaneous	633,151	772,852
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<b>38,014,655</b>	<b>36,955,364</b>
<b>EXPENSES</b>		
Program services:		
Child development	7,698,835	7,592,134
Community services	1,504,282	1,584,465
Economic and workforce development	8,549,808	7,490,754
Energy	10,052,962	10,350,805
Language and literacy	344,985	293,600
Housing and homeless	181,366	183,374
Nutrition and health	2,390,236	2,400,554
Special projects	1,455,860	1,417,406
Volunteer services	158,879	125,312
SNHS Management Corporation	1,852,665	1,360,675
Total program services	34,189,878	32,799,079
Support services:		
Management and general	1,766,597	1,923,341
<b>TOTAL EXPENSES</b>	<b>35,956,475</b>	<b>34,722,420</b>
<b>CHANGE IN NET ASSETS</b>	<b>2,058,180</b>	<b>2,232,944</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>20,163,304</b>	<b>17,930,360</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 22,221,484</b>	<b>\$ 20,163,304</b>

See independent auditor's report and accompanying notes to the financial statements.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE  
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED JULY 31, 2017

EXPENSES	Program Services						
	Child Development	Community Services	Economic Workforce Development	Energy	Language and Literacy	Housing and Homeless	Nutrition and Health
Payroll	\$ 4,532,497	\$ 988,728	\$ 2,598,061	\$ 1,479,819	\$ 205,774	\$ 57,390	\$ 929,574
Payroll taxes	427,513	85,055	230,382	137,652	21,760	5,070	87,625
Fringe benefits	1,056,679	142,258	381,689	277,583	13,620	12,219	182,882
Workers comp. insurance	133,004	12,323	8,425	18,616	673	201	37,044
Retirement benefits	239,765	84,534	148,790	84,574	6,106	3,822	49,817
Consultant and contractual	73,596	37,906	1,764,803	1,278,715	16,772	233	24,513
Travel and transportation	80,939	24,323	72,239	47,177	751	2,583	47,155
Conferences and meetings	2,400	13,084	4,260	11,996	-	120	9,234
Occupancy	460,887	52,314	719,547	126,782	19,846	1,020	74,295
Advertising	14,820	2,535	31,291	1,335	50	-	75
Supplies	280,149	15,572	39,851	66,519	26,550	316	74,548
Equip. rentals and maintenance	13,830	6,236	27,993	20,144	1,378	-	24,174
Insurance	17,289	24,992	6,224	13,296	-	-	7,479
Telephone	63,288	14,783	50,377	19,759	1,591	538	42,705
Postage	2,936	339	1,626	31,484	249	16	3,473
Printing and publications	6,182	1,454	-	340	939	-	-
Subscriptions	-	1,769	-	-	-	-	-
Program support	559	20,105	-	32,990	8,588	-	7,270
Interest	11,952	-	-	-	-	-	-
Depreciation	42,373	3,666	7,443	14,269	4,341	-	2,146
Assistance to clients	7,800	-	2,443,026	6,409,725	-	97,838	515,249
Other direct expense	218,504	1,177	57,405	4,973	-	-	276,215
Miscellaneous	57,369	303	572	1,571	13,458	-	2,623
In-kind	2,636,675	-	-	-	-	-	-
(Gain) Loss on disposal of assets	-	-	-	1,971	2,539	-	-
<b>SUBTOTAL</b>	<b>10,381,006</b>	<b>1,533,456</b>	<b>8,594,004</b>	<b>10,081,290</b>	<b>344,985</b>	<b>181,366</b>	<b>2,398,096</b>
Over applied indirect costs	-	-	-	-	-	-	-
Eliminations	(2,682,171)	(29,174)	(44,196)	(28,328)	-	-	(7,860)
<b>TOTAL EXPENSES</b>	<b>\$ 7,698,835</b>	<b>\$ 1,504,282</b>	<b>\$ 8,549,808</b>	<b>\$ 10,052,962</b>	<b>\$ 344,985</b>	<b>\$ 181,366</b>	<b>\$ 2,390,236</b>

See independent auditor's report and accompanying notes to the financial statements.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE  
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES (Continued)  
 FOR THE YEAR ENDED JULY 31, 2017

	Program Services			Total Program Services	Support Services	Total Expenses
	Special Projects	Volunteer Services	SNHS Management Corporation		Management and General	
<b>EXPENSES</b>						
Payroll	\$ 42,757	\$ 86,401	\$ 99,305	\$ 11,020,306	\$ 1,239,055	\$ 12,259,361
Payroll taxes	3,963	7,879	27,908	1,034,807	105,184	1,139,991
Fringe benefits	1,929	15,102	64,008	2,147,969	157,709	2,305,678
Workers comp. insurance	2,237	281	5,461	218,265	5,085	223,350
Retirement benefits	1,871	4,448	21,647	645,374	118,221	763,595
Consultant and contractual	1,324,546	561	166,121	4,687,766	85,022	4,772,788
Travel and transportation	1,692	2,414	57,092	336,365	8,535	344,900
Conferences and meetings	3,829	1,454	18,790	65,167	1,080	66,247
Occupancy	13,883	-	415,064	1,883,638	22,016	1,905,654
Advertising	25	467	2,712	53,310	50	53,360
Supplies	1,018	14,709	9,292	528,524	39,789	568,313
Equip. rentals and maintenance	1,301	236	17,935	113,227	2,116	115,343
Insurance	541	1,226	29,070	100,117	10,999	111,116
Telephone	2,935	1,368	16,575	213,919	7,809	221,728
Postage	18	560	980	41,681	16,595	58,276
Printing and publications	-	-	996	9,911	38	9,949
Subscriptions	-	768	317	2,854	-	2,854
Program support	47,726	-	367,931	485,169	-	485,169
Interest	-	-	39,429	51,381	-	51,381
Depreciation	10,810	-	331,535	416,583	536	417,119
Assistance to clients	-	-	29,547	9,503,185	-	9,503,185
Other direct expense	-	987	4,506	563,767	1,086	564,853
Miscellaneous	364	20,018	66,235	162,513	1,484	163,997
In-kind	-	-	-	2,636,675	-	2,636,675
(Gain) Loss on disposal of assets	(5,585)	-	50,760	49,685	-	49,685
<b>SUBTOTAL</b>	<b>1,455,860</b>	<b>158,879</b>	<b>1,843,216</b>	<b>36,972,158</b>	<b>1,822,409</b>	<b>38,794,567</b>
Over applied indirect costs	-	-	9,449	9,449	(55,812)	(46,363)
Eliminations	-	-	-	(2,791,729)	-	(2,791,729)
<b>TOTAL EXPENSES</b>	<b>\$ 1,455,860</b>	<b>\$ 158,879</b>	<b>\$ 1,852,665</b>	<b>\$ 34,189,878</b>	<b>\$ 1,766,597</b>	<b>\$ 35,956,475</b>

See independent auditor's report and accompanying notes to the financial statements.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE  
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED JULY 31, 2016

EXPENSES	Program Services						
	Child Development	Community Services	Economic Workforce Development	Energy	Language and Literacy	Housing and Homeless	Nutrition and Health
Payroll	\$ 4,393,675	\$ 1,008,896	\$ 2,465,911	\$ 1,495,775	\$ 185,433	\$ 61,599	\$ 911,371
Payroll taxes	457,034	92,208	230,637	152,666	21,425	6,530	94,200
Fringe benefits	1,017,685	142,446	381,606	292,939	8,905	8,215	186,659
Workers comp. insurance	98,563	10,512	7,610	12,840	1,983	201	26,662
Retirement benefits	242,908	88,027	133,881	91,134	6,104	3,364	55,155
Consultant and contractual	77,978	30,527	1,821,388	1,012,459	9,362	244	18,604
Travel and transportation	94,819	27,683	67,837	36,691	712	2,815	47,311
Conferences and meetings	1,800	28,508	468	9,868	-	-	5,831
Occupancy	471,873	50,009	752,749	122,768	16,292	1,018	79,861
Advertising	9,686	85	13,877	100	75	-	925
Supplies	224,072	18,667	32,442	61,730	6,908	824	77,550
Equip. rentals and maintenance	49,560	1,883	14,661	20,747	3,147	-	11,866
Insurance	14,508	32,136	7,139	10,311	-	-	5,898
Telephone	77,510	18,872	53,133	30,636	1,628	654	44,349
Postage	5,672	826	1,956	34,457	98	49	4,103
Printing and publications	5,307	2,541	-	654	815	-	-
Subscriptions	-	1,636	-	60	-	-	-
Program support	-	16,028	-	-	7,913	-	-
Interest	12,879	-	-	-	-	-	-
Depreciation	35,687	2,708	7,442	12,740	5,621	-	2,146
Assistance to clients	11,922	-	1,402,885	6,940,422	1,996	97,713	488,308
Other direct expense	222,179	10,004	94,866	10,187	-	99	332,467
Miscellaneous	66,817	263	266	1,621	15,183	49	7,288
In-kind	2,173,671	-	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-	-	-
<b>SUBTOTAL</b>	<b>9,765,805</b>	<b>1,584,465</b>	<b>7,490,754</b>	<b>10,350,805</b>	<b>293,600</b>	<b>183,374</b>	<b>2,400,554</b>
Over applied indirect costs	-	-	-	-	-	-	-
Eliminations	(2,173,671)	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 7,592,134</b>	<b>\$ 1,584,465</b>	<b>\$ 7,490,754</b>	<b>\$ 10,350,805</b>	<b>\$ 293,600</b>	<b>\$ 183,374</b>	<b>\$ 2,400,554</b>

See independent auditor's report and accompanying notes to the financial statements.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE  
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES (Continued)  
 FOR THE YEAR ENDED JULY 31, 2016

EXPENSES	Program Services				Support	Total
	Special Projects	Volunteer Services	SNHS	Total Program Services	Management	
			Management Corporation		and General	
Payroll	\$ 57,216	\$ 69,159	\$ 294,401	\$10,943,436	\$ 1,164,602	\$12,108,038
Payroll taxes	6,332	6,670	28,695	1,096,397	97,248	1,193,645
Fringe benefits	5,600	14,078	70,574	2,128,707	134,933	2,263,640
Workers comp. insurance	2,248	218	5,651	166,488	6,100	172,588
Retirement benefits	3,574	4,322	23,526	651,995	104,995	756,990
Consultant and contractual	1,291,754	325	113,953	4,376,594	78,564	4,455,158
Travel and transportation	3,621	2,590	72,154	356,233	14,023	370,256
Conferences and meetings	1,744	270	42,765	91,254	253	91,507
Occupancy	13,844	-	229,243	1,737,657	25,306	1,762,963
Advertising	690	2,463	408	28,309	-	28,309
Supplies	1,569	4,564	12,679	441,005	41,213	482,218
Equip. rentals and maintenance	271	292	12,532	114,959	1,578	116,537
Insurance	-	1,169	19,709	90,870	10,412	101,282
Telephone	2,887	2,447	10,053	242,169	10,850	253,019
Postage	62	582	977	48,782	18,062	66,844
Printing and publications	-	130	466	9,913	-	9,913
Subscriptions	-	-	40	1,736	-	1,736
Program support	4,053	-	35,563	63,557	-	63,557
Interest	-	-	34,555	47,434	-	47,434
Depreciation	699	-	271,369	338,412	536	338,948
Assistance to clients	16,920	-	34,988	8,995,154	-	8,995,154
Other direct expense	3,600	2,282	1,250	676,934	1,102	678,036
Miscellaneous	722	13,751	34,916	140,876	989	141,865
In-kind	-	-	-	2,173,671	-	2,173,671
Loss on disposal of assets	-	-	-	-	-	-
<b>SUBTOTAL</b>	<b>1,417,406</b>	<b>125,312</b>	<b>1,350,467</b>	<b>34,962,542</b>	<b>1,710,766</b>	<b>36,673,308</b>
Over applied indirect costs	-	-	10,208	10,208	212,575	222,783
Eliminations	-	-	-	(2,173,671)	-	(2,173,671)
<b>TOTAL EXPENSES</b>	<b>\$ 1,417,406</b>	<b>\$ 125,312</b>	<b>\$ 1,360,675</b>	<b>\$32,799,079</b>	<b>\$ 1,923,341</b>	<b>\$34,722,420</b>

See independent auditor's report and accompanying notes to the financial statements.

## SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

## COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JULY 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	<u>\$ 2,058,180</u>	<u>\$ 2,232,944</u>
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	417,119	338,948
Gain on disposal of assets	49,685	-
Donation of low-income housing projects	-	(833,080)
Unrealized (gain) loss on investments	(761,151)	195,356
(Increase) decrease operating assets:		
Contracts receivable (net)	(375,606)	(286,476)
Accounts receivable (net)	46,049	355,656
Prepaid expenses	32,691	(50,334)
Under applied overhead	(46,766)	222,787
Increase (decrease) in operating liabilities:		
Accounts payable	(72,629)	101,906
Accrued payroll and payroll taxes	355,379	(11,712)
Accrued comp. absences	(172,122)	(148,628)
Accrued other liabilities	135,595	(161,252)
Refundable advances	(178,620)	(48,247)
Tenant security deposits	6,051	(2,396)
Total adjustments	<u>(564,325)</u>	<u>(327,472)</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>1,493,855</u>	<u>1,905,472</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(290,188)	(1,795,586)
Proceeds from sale of fixed assets	19,085	-
Purchase of investments, reinvested dividends, and capital gains	(1,261,528)	(304,954)
Deposit to restricted cash accounts	(20,987)	(152,559)
Cash received on acquisition of housing projects	-	452,033
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>(1,553,618)</u>	<u>(1,801,066)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on long-term debt	(107,934)	(100,091)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(167,697)	4,315
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>6,057,093</u>	<u>6,052,778</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 5,889,396</u>	<u>\$ 6,057,093</u>

See independent auditor's report and accompanying notes to the financial statements.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE  
 COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)  
 FOR THE YEARS ENDED JULY 31, 2017 AND 2016

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

	<u>2017</u>	<u>2016</u>
Cash paid during the year for interest	<u>\$ 51,381</u>	<u>\$ 47,434</u>
Noncash investing and financing activities:		
Acquisition of low-income housing projects:		
Other current assets	\$ -	\$ 7,812
Property and equipment	-	1,955,100
Current liabilities	-	(56,739)
Notes payable	-	(1,387,571)
Previous equity investment	-	(137,555)
Equity acquired	-	<u>(833,080)</u>
	-	<u>(452,033)</u>
Cash received on acquisition	-	452,033
	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report and accompanying notes to the financial statements.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

JULY 31, 2017 AND 2016

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NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of the Organization**

Southern New Hampshire Services, Inc. (SNHS) is an umbrella corporation that offers an array of services to the elderly, disabled, and low-income households in New Hampshire's Hillsborough County and Rockingham County. The Organization's programs provide assistance in the areas of education, child development, employment, energy and its conservation, housing and homelessness prevention. The Organization is committed to providing respectful support services and assisting individuals and families in achieving self-sufficiency by helping them overcome the causes of poverty. The primary source of revenues is derived from governmental contracts. Services are provided through Southern New Hampshire Services, Inc. and SNHS Management Corporation.

**Basis of Accounting and Presentation**

The Organization prepares its combined financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; and accordingly reflect all significant receivables, payables, and other liabilities. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Unrestricted net assets* - Unrestricted net assets of the Organization are net assets that are neither permanently restricted nor temporarily restricted by donor-imposed restrictions.

*Temporarily restricted net assets* - Temporarily restricted net assets are net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

*Permanently restricted net assets* - Permanently restricted net assets are net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

The Organization has no temporarily restricted or permanently restricted net assets at July 31, 2017 and 2016.

**Combined Financial Statements**

All significant intercompany items and transactions have been eliminated from the basic combined financial statements. The combined financial statements include the accounts of SNHS Management Corporation because Southern New Hampshire Services, Inc. controls more than 50% of the voting power.

**Use of Estimates**

The preparation of combined financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from these amounts.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2017 AND 2016

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NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Cash and Cash Equivalents**

For the purpose of the combined statements of cash flows, the Organization considers all unrestricted highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Current Vulnerabilities Due to Certain Concentrations**

The Organization maintains its cash balances at several financial institutions located in New Hampshire and Maine. The balances are insured by the Federal Deposit Insurance Organization (FDIC) up to \$250,000 per financial institution. In addition, on October 2, 2008, the Organization entered into an agreement with its principal banking partner to collateralize deposits in excess of the FDIC insurance limitation on some accounts. The balances, at times, may exceed amounts covered by the FDIC and collateralization agreements. It is the opinion of management that there is no significant risk with respect to these deposits at this time.

**Accounts and Contracts Receivable**

All accounts and contracts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Receivables are recorded on the accrual basis of accounting primarily based on reimbursable contracts, grants and agreements. Balances outstanding after management has used reasonable collection efforts are written off through a charge to bad debt expense and a credit to the applicable accounts receivable. Management does not believe an allowance for uncollectible accounts receivable is necessary at July 31, 2017 and 2016.

**Revenue Recognition**

The Organization's revenue is recognized primarily from federal and state grants and contracts generally structured as reimbursed contracts for services and therefore revenue is recognized based on when their individual allowable budgeted expenditures occur. Federal and state grant revenue comprised approximately 89% of total revenue in the fiscal years ended July 31, 2017 and 2016.

**Contributions and In-Kind Donations**

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities as net assets released from restrictions. In-kind revenues and expenses represent fair market value of volunteer services and non-paid goods which were donated to the Organization during the current fiscal year. All in-kind revenues in the fiscal year 2017 and 2016 were generated through the Head Start and Economic Workforce Development programs. Since the recognition criteria is not met, no in-kind revenues are recognized as contributions in the combined financial statements and the in-kind expenses have been eliminated.

**Investments**

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the combined statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying combined statements of activities.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2017 AND 2016

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NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Fixed Assets**

Fixed assets acquired by the Organization are capitalized at cost if purchased or fair value if donated. It is the Organization's policy to capitalize expenditures for these items in excess of \$5,000. Major additions and renewals are capitalized, while repairs and maintenance are expensed as incurred. Depreciation is calculated using the straight-line basis over the estimated useful lives of the assets, which range from three to forty years. Depreciation expense for July 31, 2017 and 2016 was \$417,119 and \$338,948, respectively.

Fixed assets purchased with grant funds are owned by the Organization while used in the program for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the fixed assets purchased with grant funds. The disposition of fixed assets, as well as the ownership of any proceeds is subject to funding source regulations.

**Advertising**

The Organization uses advertising to promote programs among the people it serves. The production costs of advertising are expensed as incurred.

**Functional Allocation of Expenses**

The costs associated with providing program services and management and general support services are presented by natural classification on the combined statement of functional expenses and have been summarized on a functional basis on the combined statements of activities.

**Subsequent Events**

Management has made an evaluation of subsequent events through January 19, 2018, which represents the date on which the combined financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of these combined financial statements.

**Reclassifications**

Certain reclassifications have been made to the 2016 combined financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

NOTE 2: RESTRICTED CASH

The Organization, as stipulated in many of the loan agreements associated with the housing projects included in SNHS Management Corporation, is required to maintain separate accounts and make monthly deposits into certain restricted reserves for the replacement of property and other expenditures. In addition, the Organization is required to maintain separate accounts for tenant security deposits and any surplus cash that may result from annual operations. These accounts are also not available for operating purposes and generally need additional approval from oversight agencies before withdrawal and use of these funds can occur.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2017 AND 2016

NOTE 3: FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements*, are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs that are unobservable for the asset or liability.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at July 31, 2017 and 2016.

*Mutual Funds*: Valued at the closing price reported on the active market on which the individual securities are traded.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of July 31, 2017 and 2016:

	<u>2017</u>			
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
<b>Mutual Funds</b>	<b><u>\$8,375,305</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$8,375,305</u></b>

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

JULY 31, 2017 AND 2016

NOTE 3: FAIR VALUE MEASUREMENTS (Continued)

	<u>2016</u>			
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Mutual Funds	<u>\$6,352,626</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$6,352,626</u>

NOTE 4: INVESTMENTS

The following is a summary of investments as of July 31:

	<u>2017</u>			<u>2016</u>		
	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gains</u>	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gains</u>
Mutual Funds	<u>\$6,268,825</u>	<u>\$8,375,305</u>	<u>\$2,106,480</u>	<u>\$5,007,298</u>	<u>\$6,352,626</u>	<u>\$1,345,328</u>

The activities of the Organization's investment account are summarized as follows:

	<u>2017</u>	<u>2016</u>
Fair Value – Beginning of Year	<u>\$6,352,626</u>	<u>\$6,243,028</u>
Dividends and Capital Gains	<u>261,528</u>	<u>304,954</u>
Purchases	<u>1,000,000</u>	<u>-</u>
Unrealized Gains (Losses)	<u>761,151</u>	<u>(195,356)</u>
Fair Value – End of Year	<u>\$8,375,305</u>	<u>\$6,352,626</u>

NOTE 5: LONG-TERM DEBT

The following is a summary of long-term debt as of July 31:

	<u>2017</u>	<u>2016</u>
<u>SNHS, Inc.</u>		
Mortgage payable to City of Manchester, secured by real estate located in Manchester, NH. A balloon payment of \$11,275 was due on June 30, 2010. Interest is at 0.000%. SNHS, Inc. is currently negotiating with the City of Manchester to write off this debt.	<u>\$ 11,275</u>	<u>\$ 11,275</u>
Mortgage payable to bank, secured by real estate located on Temple St., Nashua, NH, payable in fixed monthly principal installments of \$1,833 plus interest through 2020. Interest is at 4.000%.	<u>282,669</u>	<u>304,669</u>
<u>Subtotal</u>	<u>\$ 293,944</u>	<u>\$ 315,944</u>

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2017 AND 2016

NOTE 5: LONG-TERM DEBT (Continued)

	<u>2017</u>	<u>2016</u>
<u>Subtotal Carried Forward</u>	<u>\$ 293,944</u>	<u>\$ 315,944</u>
<u>SNHS Management Corporation</u>		
Mortgage payable to New Hampshire Housing Authority secured by real estate located in Epping, NH, payable in monthly installments of \$1,084 including interest through 2042. Interest is at 3.500%.	212,084	217,571
Mortgage payable to City of Nashua secured by real estate located on Vine St., Nashua, NH. Mortgage will be forgiven only if real estate remains low income housing for 30 years. Interest is at 10.000%, forgiven annually.	900,000	900,000
Note payable to City of Nashua secured by real estate located on Vine St., Nashua, NH. Mortgage will be forgiven only if real estate remains low income housing for 30 years. Interest is at 10.000%, forgiven annually.	20,000	20,000
Mortgage payable to New Hampshire Community Loan Fund secured by real estate located on, Vine St., Nashua, NH. Mortgage will be forgiven only if real estate remains low income housing for 30 years. Interest is at 10.000%, forgiven annually.	250,000	250,000
Mortgage payable to bank, secured by real estate located on West Pearl St., Nashua, NH. Mortgage will be forgiven only if real estate remains low income housing for 40 years. Interest is at 0.000%.	170,000	170,000
Mortgage payable to bank secured by real estate located on Silver St., Manchester, NH, payable in monthly installments of \$2,619 including interest through 2019. Interest is at 3.750%.	45,872	74,954
Mortgage payable to bank, secured by real estate located on Allds St., Nashua, NH, payable in fixed monthly principal installments of \$2,613 plus interest through 2021. Interest is at 3.982% and 3.246% at July 31, 2017 and 2016.	120,200	151,556
Mortgage payable to MH Parsons and Sons Lumber, secured by real estate located in Derry, NH, payable in monthly installments of \$3,715 including interest through 2031. Interest is at 5.500%.	<u>439,455</u>	<u>459,464</u>
	<u>2,451,555</u>	<u>2,559,489</u>
Less: Current Portion	<u>121,437</u>	<u>119,080</u>
Long-term debt, net of current portion	<u>\$ 2,330,118</u>	<u>\$ 2,440,409</u>

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2017 AND 2016

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NOTE 5: LONG-TERM DEBT (Continued)

Principal maturities of long-term debt are as follows:

2018	\$ 121,437
2019	97,017
2020	82,794
2021	273,770
2022	32,586
Thereafter	<u>1,843,951</u>
Total	\$ <u>2,451,555</u>

NOTE 6: OPERATING LEASES

The Organization leases various facilities and equipment under several operating leases. Total lease payments for the years ended July 31, 2017 and 2016 equaled \$678,755 and \$741,027, respectively. The leases expire at various times through October 2020. Some of the leases contain renewal options that are contingent upon federal funding and some contain renewal options subject to renegotiation of lease terms.

The following is a schedule of future minimum lease payments for the operating leases as of July 31, 2017:

2018	\$ 561,286
2019	295,725
2020	35,267
2021	<u>8,881</u>
Total	\$ <u>901,159</u>

NOTE 7: RETIREMENT BENEFITS

The Organization has an Employer-Sponsored 403(b) plan offering coverage to all of its employees. Participating employees must contribute at least 5% of their wages, while the Organization contributes 10% of their wages. The pension expense for the years ended July 31, 2017 and 2016 was \$763,595 and \$756,990, respectively.

NOTE 8: RISKS AND UNCERTAINTIES

The Organization is operated in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules, and regulations are subject to change by an act of Congress or Legislature. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

JULY 31, 2017 AND 2016

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NOTE 9: CONTINGENCIES AND CONTINGENT LIABILITIES

The Organization receives contract funding from various sources. Under the terms of these agreements, the Organization is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the Organization might be required to repay the funds. No provisions have been made for this contingency because specific amounts, if any, have not yet been determined.

Cotton Mill Square

In 2015, SNHS Management Corporation entered into a contract as part of the Community Development Investment Tax Credit Program with the Community Development Finance Authority (CDFA) and was awarded \$1,000,000 to provide funding for the development and adaptive reuse of an abandoned historic cotton mill in downtown Nashua, NH. Under this program, the Project (Cotton Mill Square) created 109 units of housing and was required to reserve 55 of these units for low to moderate income households.

As stipulated by the contract and after a 20% program fee retained by the CDFA, SNHS Management Corporation entered into a subrecipient agreement with the owners of the Project (Cotton Mill Square LLC) to provide a promissory note and mortgage of the remaining award amount of \$800,000. The 20 year note to Cotton Mill Square LLC is non-interest bearing and the principal is forgivable at a rate of 5% each year the Project maintains the required minimum of 55 low to moderate income household units.

The Cotton Mill Square Project was awarded the certificate of occupancy on August 22, 2014 and remains in full compliance with the required regulations as of July 31, 2017 and 2016. SNHS Management Corporation feels that it is extremely unlikely that the Project will fall into noncompliance in future periods. Therefore, SNHS Management Corporation has not recorded any contingent receivable or liability related to this transaction. The current unforgiven principal amount at July 31, 2017 and 2016 is \$680,000 and \$720,000, respectively. The note repayment is accelerated if the units fall out of compliance.

J. Brown Homestead Property

On July 1, 2011, Rockingham Community Acton (RCA) was acquired by SNHS. As part of this merger, SNHS assumed all the assets, liabilities and obligations of RCA which included the J. Brown Homestead Property.

The J. Brown Homestead Property was conveyed to RCA in 1999 by the Town of Raymond for \$1 and a mortgage lien of \$604,418. The property contains four apartments limited to low-income seniors, office space for the Outreach operations, space for the Food Pantry operation, and a common meeting room for use by Town of Raymond organizations. The Town of Raymond included a requirement that the property be used for a social service center for a period of 20 years, called the benefit period, after which this requirement terminates.

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

JULY 31, 2017 AND 2016

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NOTE 9: CONTINGENCIES AND CONTINGENT LIABILITIES (Continued)

**J. Brown Homestead Property** (Continued)

In the event that SNHS sells or otherwise conveys the property within the benefit period, the remaining lien will be either paid from the proceeds of the sale or remain with the land to any subsequent purchaser for the remaining benefit period.

This mortgage lien has no scheduled principal or interest payments and is forgivable at a rate of 5% each year of the benefit period until it is completely forgiven in year 2019. The value of this lien at July 31, 2017 and 2016 is \$90,663 and \$120,884, respectively. SNHS has no plans to sell or transfer this property. Therefore, the contingent mortgage lien liability has not been included in the financial statements.

NOTE 10: ACQUISITIONS OF LOW-INCOME HOUSING PROJECTS

During 2016, SNHS Management Corporation acquired J.B. Milette Limited Partnership (Milette Manor), located in Nashua, NH and Epping Senior Housing Associates Limited Partnership (Whispering Pines), located in Epping, NH. SNHS Management Corporation obtained the project operations and assumed all assets, liabilities, debt and equity for both projects at fair market value. The acquisition and allocation of both projects was as follows:

	<u>Milette Manor</u>	<u>Whispering Pines II</u>	<u>Total</u>
Cash	\$ 264,763	\$ 187,270	\$ 452,033
Other Current Assets	-	7,812	7,812
Property and Equipment	1,238,400	716,700	1,955,100
Current Liabilities	(16,148)	(40,591)	(56,739)
Notes Payable	(1,170,000)	(217,571)	(1,387,571)
Previous Equity Investment	-	(137,555)	(137,555)
Equity Acquired (Contribution)	<u>(317,015)</u>	<u>(516,065)</u>	<u>(833,080)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**OUELLETTE & ASSOCIATES, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

Mark R. Carrier, C.P.A.  
Michael R. Dunn, C.P.A.  
Jonathan A. Hussey, C.P.A., M.S.T.  
Steven R. Lamontagne, C.P.A.

Gary W. Soucy, C.P.A.  
Gary A. Wigant, C.P.A.  
C. Joseph Wolverton, Jr., C.P.A.

*INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION*

To the Board of Directors of  
Southern New Hampshire Services, Inc. and Affiliate  
Manchester, New Hampshire

We have audited the combined financial statements of Southern New Hampshire Services, Inc. (a nonprofit organization) and affiliate as of and for the year ended July 31, 2017, and have issued our report thereon dated January 19, 2018, which contained an unmodified opinion on those combined financial statements. Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole.

The combining information in Schedules A and B (pages 20-21), schedules of revenues and expenses – by contract (pages 23-37), required by the State of New Hampshire Governor's Office of Energy and Community Services and the financial statements and financial information for Whispering Pines II (pages 28-33), required by the New Hampshire Housing Finance Authority are presented for the purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Ouellette & Associates, P.A.*  
Certified Public Accountants

January 19, 2018  
Lewiston, Maine

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE  
COMBINING SCHEDULE OF FINANCIAL POSITION  
JULY 31, 2017

	SNHS, Inc.	SNHS Management Corporation	Sub-Total	Elimination	Total
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 335,605	\$ 5,553,791	\$ 5,889,396	\$ -	\$ 5,889,396
Investments	-	8,375,305	8,375,305	-	8,375,305
Contracts receivable	3,739,387	51,437	3,790,824	-	3,790,824
Accounts receivable	-	590,607	590,607	-	590,607
Prepaid expenses	44,626	30,784	75,410	-	75,410
Under applied overhead	113,924	-	113,924	-	113,924
Due from other corporations	1,039,956	(778,251)	261,705	(261,705)	-
Total current assets	<u>5,273,498</u>	<u>13,823,673</u>	<u>19,097,171</u>	<u>(261,705)</u>	<u>18,835,466</u>
<b>FIXED ASSETS</b>					
Land	219,849	2,093,934	2,313,783	-	2,313,783
Buildings and improvements	1,521,873	8,908,034	10,429,907	-	10,429,907
Vehicles and equipment	949,133	336,138	1,285,271	-	1,285,271
Total fixed assets	<u>2,690,855</u>	<u>11,338,106</u>	<u>14,028,961</u>	<u>-</u>	<u>14,028,961</u>
Less - accumulated depreciation	<u>1,309,546</u>	<u>3,410,941</u>	<u>4,720,487</u>	<u>-</u>	<u>4,720,487</u>
Net fixed assets	<u>1,381,309</u>	<u>7,927,165</u>	<u>9,308,474</u>	<u>-</u>	<u>9,308,474</u>
<b>OTHER ASSETS</b>					
Restricted cash	28,547	182,641	211,188	-	211,188
Total other assets	<u>28,547</u>	<u>182,641</u>	<u>211,188</u>	<u>-</u>	<u>211,188</u>
<b>TOTAL ASSETS</b>	<u>\$ 6,683,354</u>	<u>\$ 21,933,479</u>	<u>\$ 28,616,833</u>	<u>\$ (261,705)</u>	<u>\$ 28,355,128</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Current portion of long-term debt	\$ 33,275	\$ 88,162	\$ 121,437	\$ -	\$ 121,437
Accounts payable	450,451	21,264	471,715	-	471,715
Accrued payroll and payroll taxes	533,976	796,392	1,330,368	-	1,330,368
Accrued compensated absences	-	326,281	326,281	-	326,281
Accrued other liabilities	325,291	22,041	347,332	-	347,332
Refundable advances	1,126,910	10,778	1,137,688	-	1,137,688
Tenant security deposits	26,764	41,941	68,705	-	68,705
Due to other corporations	141,531	120,174	261,705	(261,705)	-
Total current liabilities	<u>2,638,198</u>	<u>1,427,033</u>	<u>4,065,231</u>	<u>(261,705)</u>	<u>3,803,526</u>
<b>LONG-TERM LIABILITIES</b>					
Long-term debt, less current portion	260,669	2,069,449	2,330,118	-	2,330,118
Total long-term liabilities	<u>260,669</u>	<u>2,069,449</u>	<u>2,330,118</u>	<u>-</u>	<u>2,330,118</u>
<b>TOTAL LIABILITIES</b>	<u>2,898,867</u>	<u>3,496,482</u>	<u>6,395,349</u>	<u>(261,705)</u>	<u>6,133,644</u>
<b>NET ASSETS</b>					
Unrestricted	3,784,487	18,436,997	22,221,484	-	22,221,484
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 6,683,354</u>	<u>\$ 21,933,479</u>	<u>\$ 28,616,833</u>	<u>\$ (261,705)</u>	<u>\$ 28,355,128</u>

See independent auditor's report on supplementary information

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE  
COMBINING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED JULY 31, 2017

	SNHS, Inc.	SNHS Management Corporation	Sub-Total	Elimination	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>					
Grant/contract revenue	\$ 33,858,322	\$ -	\$ 33,858,322	\$ (17,846)	\$ 33,840,476
Program service fees	69,055	942,918	1,011,973	-	1,011,973
Local funding	70,621	281,997	352,618	-	352,618
Rental income	-	945,056	945,056	-	945,056
Gifts and contributions	200,015	7,957	207,972	-	207,972
Interest Income	123	262,135	262,258	-	262,258
Unrealized gain on investments	-	761,151	761,151	-	761,151
In-kind	2,636,675	-	2,636,675	(2,636,675)	-
Miscellaneous	461,017	309,342	770,359	(137,208)	633,151
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<b>37,295,828</b>	<b>3,510,556</b>	<b>40,806,384</b>	<b>(2,791,729)</b>	<b>38,014,655</b>
<b>EXPENSES</b>					
Program services:					
Child Development	10,381,006	-	10,381,006	(2,682,171)	7,698,835
Community Services	1,533,456	-	1,533,456	(29,174)	1,504,282
Economic and Workforce Dev.	8,594,004	-	8,594,004	(44,196)	8,549,808
Energy	10,081,290	-	10,081,290	(28,328)	10,052,962
Language and Literacy	344,985	-	344,985	-	344,985
Housing and Homeless	181,366	-	181,366	-	181,366
Nutrition and Health	2,398,096	-	2,398,096	(7,860)	2,390,236
Special Projects	1,455,860	-	1,455,860	-	1,455,860
Volunteer Services	158,879	-	158,879	-	158,879
SNHS Management Corporation	-	1,852,665	1,852,665	-	1,852,665
Total program services	35,128,942	1,852,665	36,981,607	(2,791,729)	34,189,878
Support services:					
Management and general	1,766,597	-	1,766,597	-	1,766,597
<b>TOTAL EXPENSES</b>	<b>36,895,539</b>	<b>1,852,665</b>	<b>38,748,204</b>	<b>(2,791,729)</b>	<b>35,956,475</b>
<b>CHANGE IN NET ASSETS</b>	<b>400,289</b>	<b>1,657,891</b>	<b>2,058,180</b>	<b>-</b>	<b>2,058,180</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>3,384,198</b>	<b>16,779,106</b>	<b>20,163,304</b>	<b>-</b>	<b>20,163,304</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 3,784,487</b>	<b>\$ 18,436,997</b>	<b>\$ 22,221,484</b>	<b>\$ -</b>	<b>\$ 22,221,484</b>

See independent auditor's report on supplementary information

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

SCHEDULE OF REVENUES AND EXPENSES - BY CONTRACT

FOR THE YEAR ENDED JULY 31, 2017

State of NH Governor's Office of Energy & Community Services  
 Headstart Program  
 For the Period  
 August 1, 2016 to July 31, 2017  
 Fund # 305

**REVENUES**

Program funding	\$ 4,452,394
Other revenue	4,921
In-kind	1,915,753
Allocated corporate unrestricted revenue	<u>(17,027)</u>
Total revenue	<u>6,356,041</u>

**EXPENSES**

Payroll	2,393,793
Payroll taxes	230,832
Fringe benefits	607,361
Workers comp. insurance	70,562
Retirement benefits	134,653
Consultant and contractual	23,822
Travel and transportation	38,739
Conference and meetings	2,400
Occupancy	228,393
Advertising	1,254
Supplies	203,327
Equip. rentals and maintenance	5,412
Insurance	12,071
Telephone	30,217
Postage	1,795
Printing and publications	4,008
Depreciation	7,769
Assistance to clients	7,800
Other direct expense	55,456
Miscellaneous	12,369
In-kind	1,915,753
Administrative costs	<u>368,255</u>
Total expenses	<u>6,356,041</u>

Excess of expenses over revenue	<u>\$ -</u>
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See independent auditor's report on supplementary information

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

SCHEDULE OF REVENUES AND EXPENSES - BY CONTRACT

FOR THE YEAR ENDED JULY 31, 2017

State of NH Governor's Office of Energy & Community Services  
 LIHEAP Program  
 For the Period  
 October 1, 2016 to July 31, 2017  
 Fund # 630-16

**REVENUES**

Program funding	\$ 6,883,585
Other revenue	41
Allocated corporate unrestricted revenue	<u>(21,431)</u>
Total revenue	<u>6,862,195</u>

**EXPENSES**

Payroll	333,790
Payroll taxes	32,569
Fringe benefits	68,191
Workers comp. insurance	1,037
Retirement benefits	17,400
Consultant and contractual	22,085
Travel and transportation	8,809
Conference and meetings	1,244
Occupancy	45,731
Advertising	988
Supplies	3,936
Equip. rentals and maintenance	2,837
Insurance	908
Telephone	7,587
Postage	18,453
Program support	26,346
Depreciation	6,684
Assistance to clients	6,211,188
Other direct expense	34
Miscellaneous	651
Administrative costs	<u>51,727</u>
Total expenses	<u>6,862,195</u>

Excess of expenses over revenue	<u>\$ -</u>
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See independent auditor's report on supplementary information

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

SCHEDULE OF REVENUES AND EXPENSES - BY CONTRACT

FOR THE YEAR ENDED JULY 31, 2017

State of NH Governor's Office of Energy & Community Services

LIHEAP Program

For the Period

August 1, 2016 to September 30, 2016

Fund # 630-15

**REVENUES**

Program funding	\$ 131,336
Total revenue	131,336

**EXPENSES**

Payroll	61,389
Payroll taxes	5,139
Fringe benefits	13,828
Workers comp. insurance	286
Retirement benefits	3,921
Consultant and contractual	5,406
Travel and transportation	709
Occupancy	7,542
Advertising	50
Supplies	23,277
Equip. rentals and maintenance	608
Insurance	479
Telephone	2,003
Postage	729
Printing and publications	170
Assistance to clients	3,629
Other direct expense	341
Miscellaneous	203
Administrative costs	10,918
Total expenses	140,627
Excess of expenses over revenue	\$ (9,291)

See independent auditor's report on supplementary information

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

SCHEDULE OF REVENUES AND EXPENSES - BY CONTRACT

FOR THE YEAR ENDED JULY 31, 2017

State of NH Governor's Office of Energy & Community Services  
 Early Headstart Program  
 For the Period  
 August 1, 2016 to July 31, 2017  
 Fund # 300

**REVENUES**

Program funding	\$ 1,323,396
Other revenue	5,363
In-kind	419,311
Allocated corporate unrestricted revenue	(228)
<b>Total revenue</b>	<b>1,747,842</b>

**EXPENSES**

Payroll	685,785
Payroll taxes	62,762
Fringe benefits	146,225
Workers comp. insurance	20,358
Retirement benefits	37,154
Consultant and contractual	3,845
Travel and transportation	5,788
Occupancy	112,342
Advertising	630
Supplies	52,143
Equip. rentals and maintenance	1,721
Insurance	2,520
Telephone	12,192
Postage	73
Printing and publications	1,766
Interest	11,952
Depreciation	25,036
Other direct expense	32,724
Miscellaneous	4,868
In-kind	419,311
Administrative costs	108,647
<b>Total expenses</b>	<b>1,747,842</b>

Excess of expenses over revenue	\$ -
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See independent auditor's report on supplementary information

SOUTHERN NEW HAMPSHIRE SERVICES, INC. AND AFFILIATE

SCHEDULE OF REVENUES AND EXPENSES - BY CONTRACT

FOR THE YEAR ENDED JULY 31, 2017

Electric Energy Assistance

For the Period

August 1, 2016 to July 31, 2017

Fund # 665

**REVENUES**

Other revenue	\$ 786,345
Allocated corporate unrestricted revenue	<u>-</u>
Total revenue	<u>786,345</u>

**EXPENSES**

Payroll	433,601
Payroll taxes	40,880
Fringe benefits	90,072
Workers comp. insurance	1,427
Retirement benefits	20,840
Consultant and contractual	23,570
Travel and transportation	4,384
Occupancy	53,786
Supplies	26,540
Equip. rentals and maintenance	3,220
Insurance	1,215
Telephone	9,222
Postage	11,874
Printing and publications	170
Depreciation	422
Other direct expense	374
Miscellaneous	395
Administrative costs	<u>64,353</u>
Total expenses	<u>786,345</u>

Excess of expenses over revenue	<u>\$ -</u>
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See independent auditor's report on supplementary information

WHISPERING PINES II  
(FORMERLY: EPPING SENIOR HOUSING ASSOCIATES LIMITED PARTNERSHIP)  
(PROJECT No. A199991-046)

STATEMENT OF FINANCIAL POSITION

JULY 31, 2017

<i><b>ASSETS</b></i>	
<b>CURRENT ASSETS</b>	
Cash - Operations	\$ 57,663
Tenant Accounts Receivable	30
Prepaid Expenses	7,199
Total Current Assets	<u>64,892</u>
<b>DEPOSITS HELD IN TRUST, FUNDED</b>	
Tenant Security Deposits	<u>13,112</u>
<b>RESTRICTED DEPOSITS AND FUNDED RESERVES</b>	
Replacement Reserve	44,245
Operating Reserve	76,172
Tax Escrow	6,345
Insurance Escrow	4,685
Total Restricted Deposits and Funded Reserves	<u>131,447</u>
<b>RENTAL PROPERTY</b>	
Land	166,600
Building and Building Improvements	550,100
Total Rental Property	<u>716,700</u>
Less Accumulated Depreciation	<u>13,752</u>
Net Rental Property	<u>702,948</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 912,399</b></u>
 <i><b>LIABILITIES AND NET ASSETS</b></i> 	
<b>CURRENT LIABILITIES</b>	
Current Portion of Mortgage Loan Payable	\$ 5,684
Accounts Payable	2,929
Accrued Expenses	7,247
Total Current Liabilities	<u>15,860</u>
<b>DEPOSIT LIABILITIES</b>	
Tenant Security Deposit Liability	<u>13,112</u>
<b>LONG-TERM LIABILITIES</b>	
Due to Affiliate	42,422
Mortgage Loan Payable, Net of Current Portion	206,400
Total Long-Term Liabilities	<u>248,822</u>
Total Liabilities	<u>277,794</u>
<b>NET ASSETS</b>	<u>634,605</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 912,399</b></u>

See independent auditor's report on supplementary information

WHISPERING PINES II  
(FORMERLY: EPPING SENIOR HOUSING ASSOCIATES LIMITED PARTNERSHIP)  
(PROJECT No. A199991-046)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JULY 31, 2017

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**RENTAL OPERATIONS**

*Income*

Tenant Rental Income	\$ 170,570
Laundry Income	2,470
Other Income	4,389
Interest Income - Unrestricted	29
Interest Income - Restricted	233
Total Income	<u>177,691</u>

*Expenses (See Schedule)*

Administrative	29,763
Utilities	35,189
Maintenance	78,563
Depreciation	13,753
Interest - NHHFA Mortgage Note	7,529
General Expenses	20,121
Total Expenses	<u>184,918</u>

**CHANGE IN NET ASSETS** (7,227)

**NET ASSETS - BEGINNING OF YEAR** 641,832

**NET ASSETS - END OF YEAR** \$ 634,605

See independent auditor's report on supplementary information

WHISPERING PINES II  
(FORMERLY: EPPING SENIOR HOUSING ASSOCIATES LIMITED PARTNERSHIP)  
(PROJECT No. A199991-046)

SCHEDULE OF RENTAL OPERATIONS EXPENSES

FOR THE YEAR ENDED JULY 31, 2017

**EXPENSES:**

Administrative

Advertising	\$ 17
Management Fees	14,400
Salaries and Wages	489
Fringe Benefits	76
Audit and Accounting Expense	6,100
Legal Expenses	2,752
Telephone	2,595
Other Administrative Expense	3,334
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<u>29,763</u>

Utilities

Electricity	20,405
Fuel	7,094
Water and Sewer	7,415
Other Utility Expense	275
<b>TOTAL UTILITY EXPENSE</b>	<u>35,189</u>

Maintenance

Custodial Supplies	378
Trash Removal	4,323
Snow Removal	18,270
Grounds/Landscaping	-
Elevator Repairs and Contract	2,308
Repairs (Materials)	29,284
Repairs (Contract)	24,000
<b>TOTAL MAINTENANCE EXPENSE</b>	<u>78,563</u>

Depreciation

13,753

Interest - NHHFA Mortgage Note

7,529

General Expenses

Real Estate Taxes	14,768
Payroll Taxes	46
Workman's Compensation	26
Insurance	5,281
<b>TOTAL GENERAL EXPENSES</b>	<u>20,121</u>

**TOTAL EXPENSES**

\$ 184,918

See independent auditor's report on supplementary information

WHISPERING PINES II  
(FORMERLY: EPPING SENIOR HOUSING ASSOCIATES LIMITED PARTNERSHIP)  
(PROJECT No. A199991-046)

SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PROJECT OPERATING ACCOUNT

FOR THE YEAR ENDED JULY 31, 2017

**SOURCE OF FUNDS**

Rental Operations

Income

Tenant Paid Rent	\$ 150,496	
HAP Rent Subsidy	20,074	

Total Rental Income \$ 170,570

Service Income	2,470	
Interest Income	29	
Commercial Income	-	
Other Income	4,389	

Total Rental Operations Receipts 177,458

Expenses

Administrative	29,180	
Utilities	35,189	
Maintenance	96,314	
Interest - NHHFA Mortgage Note	7,529	
Interest - Other Notes	-	
General	20,121	
Other	-	

Total Rental Operations Disbursements (188,333)

Cash Provided by Rental Operations (10,875)

Amortization of Mortgage 5,487

Cash Provided by Rental Operations  
After Debt Service (16,362)

**OTHER RECEIPTS**

Due to Management Agent 30,633

Owner Advances -

Transfer from Restricted Cash Reserves 31,650

and Escrows -

62,283

**OTHER DISBURSEMENTS OR TRANSFERS**

Transfers to Restricted Cash Reserves 40,513  
and Escrows

Purchase of Fixed Assets -

Repayment of Owner Advances -

Other Partnership Expenses -

Transfers to Tenant Security Deposit Account -

40,513

Net Increase or (Decrease) in Project Account Cash 5,408

Project Account Cash Balance at Beginning of Year 52,255

Project Account Cash Balance at End of Year 57,663

Composition of Project Account Cash

Balance at End of Year 57,663

Petty Cash -

Unrestricted Reserve (if applicable)

Decorating Reserve -

Operating Reserve -

Other Reserve -

Total Petty Cash and Unrestricted Reserves -

Total Project Account Cash  
at End of Year \$ 57,663

See independent auditor's report on supplementary information

WHISPERING PINES II  
(FORMERLY: EPPING SENIOR HOUSING ASSOCIATES LIMITED PARTNERSHIP)  
(PROJECT No. A199991-046)

SCHEDULE OF RESTRICTED CASH RESERVES AND ESCROWS  
FOR THE YEAR ENDED JULY 31, 2017

<u>Description of Fund</u>	<u>Balance</u> Beginning of <u>Period</u>	<u>Deposits</u> Transfers From Operations <u>Account</u>	<u>Interest</u> <u>Earned</u>	<u>Withdrawals</u> Transfers to Operations <u>Account</u>	<u>Balance</u> End of <u>Period</u>
<u>Restricted Accounts:</u>					
Insurance Escrow	\$ 7,846	\$ 11,591	\$ 16	\$ 14,768	\$ 4,685
Tax Escrow	4,493	18,722	12	16,882	6,345
Replacement Reserve	33,972	10,200	73	-	44,245
Operating Reserve	76,040		132	-	76,172
<b>Total Restricted Cash Reserves and Escrows</b>	<b>\$ 122,351</b>	<b>\$ 40,513</b>	<b>\$ 233</b>	<b>\$ 31,650</b>	<b>\$ 131,447</b>

SCHEDULE OF SURPLUS CASH CALCULATION  
JULY 31, 2017

NET LOSS	\$ (7,227)
ADD: DEPRECIATION	13,753
DEDUCT REQUIRED PRINCIPAL REPAYMENTS	5,487
DEDUCT REQUIRED PAYMENTS TO REPLACEMENT RESERVES	10,200
ADD/DEDUCT NHHFA APPROVED ITEMS Repair and Maintenance Expenses Reimbursed Through Replacement Reserves	-
<b>SURPLUS CASH (DEFICIT)</b>	<b>\$ (9,161)</b>

See independent auditor's report on supplementary information

WHISPERING PINES II  
(FORMERLY: EPPING SENIOR HOUSING ASSOCIATES LIMITED PARTNERSHIP)  
(PROJECT No. A199991-046)

YEAR-TO-DATE COMPILATION OF OWNERS' FEE/DISTRIBUTION

FOR THE YEAR ENDED JULY 31, 2017

<u>YEAR</u>	<u>MAXIMUM ALLOWABLE DISTRIBUTION</u>	<u>DISTRIBUTION RECEIVED</u>	<u>BALANCE</u>
12/31/2001	\$ 243,855	\$ -	\$ 243,855
12/31/2002	\$ 243,855	\$ -	\$ 487,710
12/31/2003	\$ 243,855	\$ 5,895	\$ 725,671
12/31/2004	\$ 243,855	\$ 7,200	\$ 962,326
12/31/2005	\$ 243,855	\$ -	\$ 1,206,181
12/31/2006	\$ 243,855	\$ 6,120	\$ 1,443,916
12/31/2007	\$ 243,855	\$ -	\$ 1,687,772
12/31/2008	\$ 243,855	\$ -	\$ 1,931,627
12/31/2009	\$ 243,855	\$ -	\$ 2,175,482
12/31/2010	\$ 243,855	\$ -	\$ 2,419,337
12/31/2011	\$ 243,855	\$ -	\$ 2,663,193
12/31/2012	\$ 243,855	\$ -	\$ 2,907,048
12/31/2013	\$ 243,855	\$ 7,200	\$ 3,143,703
12/31/2014	\$ 243,855	\$ -	\$ 3,387,558
12/31/2015	\$ 243,855	\$ -	\$ 3,631,414
7/31/2016	\$ 142,249	\$ -	\$ 3,773,663
7/31/2017	\$ 243,855	\$ -	\$ 4,017,518

See independent auditor's report on supplementary information

**SOUTHERN NEW HAMPSHIRE SERVICES, INC.**

PO Box 5040, Manchester, NH 03108 - (603)668-8010

*The Community Action Agency for Hillsborough and Rockingham Counties*

**BOARD OF DIRECTORS ~ as of September 2018**

<b>Public Sector</b>	<b>Private Sector</b>	<b>Low-Income Sector</b>	<b>HS Policy Council</b>
<p><u>Representing Manchester</u>  <b>Lou D'Allesandro Vice Chair</b></p> <p><b>German J. Ortiz</b></p>	<p><u>Representing Manchester</u>  <b>Peter Ramsey</b>  <i>Term: 4/18-9/21</i></p> <p><b>Carrie Marshall Gross</b>  <i>Term: 9/17-9/20</i></p>	<p><u>Representing Manchester</u>  <b>James Brown</b>  <i>9/18-9/21</i></p> <p><b>Orville Kerr, Secretary</b>  <i>Term 9/18-9/21</i></p>	<p><b>Anna Hamel</b>  <i>Term Expires Nov. 2018</i></p>
<p><u>Representing Nashua</u>  <b>Kevin Moriarty Treasurer</b></p>	<p><u>Representing Nashua</u>  <b>Dolores Bellavance, Chairman</b>  <i>Term: 9/15-9/18</i></p> <p><b>Wayne R. Johnson</b>  <i>Term: 9/15-9/18</i></p>	<p><u>Representing Nashua</u>  <b>Bonnie Henault</b>  <i>Term: 9/17-9/20</i></p> <p><b>Shirley Pelletier</b>  <i>Term: 9/17-9/20</i></p>	
<p><u>Representing Towns</u>  <b>Thomas Mullins</b></p>	<p><u>Representing Towns</u></p>	<p><u>Representing Towns</u>  <b>Deirdre O'Malley</b>  <i>Term: 9/16-9/19</i></p>	
<p><u>Representing Rockingham County</u></p>	<p><u>Representing Rockingham County</u></p>	<p><u>Representing Rockingham County</u></p>	

# DONNALEE LOZEAU

## Community/Civic Involvement- Current

- Eagle Scout Board of Review
- St. Joseph Hospital Board of Directors
- NH Tomorrow Leadership Council
- Reaching Higher NH
- NH Center for Public Policies Studies
- Statewide Workforce Innovation Board
- American Council of Young Political Leaders, Alumni Member
- Mary's House Advisory Board
- The Plus Company
- NH Community Action Assoc.

## Community/Civic Involvement- Past

- Governor's Judicial Selection Commission
- Governor's Transportation Committee
- Mayor's Task Force on Youth, Co-Chair
- Big Brothers Big Sisters Board of Directors, Immediate Past President, current Big Sister
- Manchester Community Resource Center, Board of Directors
- Greater Nashua Dental Connection Board of Directors, Founding Member
- Health Care Fund Community Grant Program Advisory Council
- Nashua Youth Council Board of Directors
- Great American Downtown
- Servicelink Board of Directors
- NH Energy and Climate Collaborative
- Health Care District Council V
- Task Force for the Renewal of Judicial Conduct Procedures
- Domestic Violence Coordinating Council Nashua
- Discipline Review Committee Nashua School District
- Nashua Community College Advisory Board
- Nashua Airport Authority, Commissioner
- US Conference of Mayors
- Nashua Legislative Delegation, Chair and Vice Chair
- No Labels
- Fix the Debt

## EXPERIENCE

**Southern New Hampshire Services, Inc.**  
(January 2016-Present)

**Manchester, NH**

### Executive Director/CEO

- Development and oversight of Community Action Agency serving all of Hillsborough and Rockingham Counties

**City of Nashua, New Hampshire**  
(2008-2016) - Elected

**Nashua, NH**

### Mayor

- Overall day to day management of city operations
- Annual budget development and oversight
- Chair of Board of Public Works
- Chair of Finance Committee

**Southern New Hampshire Services, Inc.**  
(1993 - 2008)

**Manchester, NH**

### Director of Program and Community Development

- Assessed the need for services throughout Hillsborough County through community outreach
- Developed partnerships, collaborations and new initiatives with service providers and businesses
- Negotiated purchases and contracts and presented projects before local boards, commissions and departments relative to housing, support services and economic development
- Designed and implemented strategies for developing working relationships with town and city officials, local service providers and appropriate private sector officials in order to project a positive image of Southern New Hampshire Services, Inc.
- Developed 219 units of Elderly Housing
- Founded Mary's House 40 units of housing for homeless women
- Pioneered initiatives for the Community Corrections and Academy Programs
- Expanded Head Start Services
- Secured property and developed sites for two outreach office locations and four housing developments
- Developed the program and secured the site for Economic Opportunity Center

**City Streets Restaurant, (1986-1991)**  
**City Streets Diner, (2000 - 2003)**

**Nashua, NH**  
**Nashua, NH**

### Co-Owner/Operator

- Operated 450 seat restaurant and banquet facility and effectively managed financial accounts
- Responsible for oversight of the day to day operations and restaurant management to include hiring and firing of employees, employee performance evaluations and scheduling of staff
- Manage Accounts Payable and Accounts Receivable, purchasing, auditing, deposit, and check processing functions for the restaurant
- Responsible for compliance with local, state and federal requirements as related to; licenses, taxes, fees and staff

## **Past Community/Civic Involvement Continued**

- American Legion Granite Girls State (student advisor)
- NH Center for Public Policy Studies
- Nashua Senior High School Senate- Community Advisor
- East Hollis Street Master Plan-Steering Committee
- New Hampshire Criminal Justice Resource Center, Director
- Greater Nashua Chamber of Commerce, Director
- Greater Nashua Workforce Housing Coalition, Founding Member
- Reclaiming Futures, local asset building development collaborative, founding member
- Mayor's Task Force on Housing, Chair
- Greater Nashua Asset Building Coalition, Founding Member
- Greater Nashua Healthy Community Collaborative, Member
- New Futures, Adolescent Treatment Collaborative, Member
- NH Workforce Housing Council, Member
- Continuum Care for the Homeless, Member
- United Way Community Needs Assessment Committee, Member
- New Hampshire Charitable Foundation State Board, Member

## **ELECTED OFFICE**

**NH State Representative, Hillsborough County, District 30  
(1984 – 2000)**

**Deputy Speaker of the NH House of Representatives  
(1995 – 2000)**

- Addressed constituent concerns
- Assisted Non-Profit organizations and local businesses with governmental concerns and steering legislation through the political process by working with members and leadership in the NH House of Representatives and the NH Senate and representatives of the Executive and Judicial branches
- Managed floor debates and supervised *House Calendar* content;
- Presided over House sessions and coordinated Committees of Conference
- House Staff and Security oversight
- Responsible for functions of the House on behalf of or in the absence of the Speaker

### **Committee Assignments:**

- House Rules Committee, Vice Chairman
- House Legislative Administration Committee
- Joint Facilities Committee
- Chair, New member Orientation
- House Corrections and Criminal Justice Committee, Vice Chairman
- House Judiciary Committee
- Criminal Justice Sub-Committee, Chairman
- Member State and Federal Relations Committee

### **Appointments:**

- Joint Legislative Performance Audit and Oversight Committee
- Juvenile Justice Commission, Chairman
- Supreme Court Guardian Ad Litem Committee
- Superior Court Alternative Dispute Resolution Committee
- Work Force Opportunity Council
- Interbranch Criminal and Juvenile Justice Council, member
  - Chairman Subcommittee on Offenders,
  - Space and Prison Programming
  - Co-Chair Juveniles subcommittee
- National Conference of State Legislatures Law and Justice Vice Chair
- Council of State Governments Intergovernmental Affairs, Corrections and Public Safety

## **EDUCATION & TRAINING**

- CCAP, Certified Community Action Professional
- Rivier College, Nashua, NH- Undergraduate work in Political Science
- Restaurant Management Institute
- Mediation and Alternative Dispute Resolution Training
- Leadership Institute, Aspen
- Computer Skills, Microsoft Office Applications
- Justice of the Peace

# JAMES M. CHAISSON

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## SUMMARY

Dedicated accounting professional with 8 years of non-profit experience and over 20 years of broad experience in manufacturing, distribution, reorganizations, mergers and acquisitions, sales/operations planning/forecasting and establishing & monitoring performance metrics in a manufacturing environment. Experienced in private and public corporations, including 8 years in a private equity environment with a strong focus on equity sponsor communication and liquidity management. Complete knowledge of P&L, balance sheet, cash flow and cost accounting. Proven skills at staff leadership, training and development in a team environment. Professional Experience:

- Fiscal Officer in nonprofit organization
  - Controller in MFG & Distribution
  - Treasury and Cash Flow Management
  - Financial & Capital Budgeting, Reporting & Control
  - Cost Accounting Manager
  - General Accounting Manager
  - Business Performance Metric Establishment and Measurement
- 

## PROFESSIONAL EXPERIENCE

### **Southern New Hampshire Services, Manchester, NH**

**5/2009-Present**

Southern New Hampshire Services (SNHS) is a non-profit entity dedicated to helping people help themselves. SNHS accomplishes this through a variety of programs offered at centers, offices, clinics, and intake sites located throughout Rockingham and Hillsborough counties. The agency also oversees 29 housing facilities with approximately 1000 tenants. SNHS receives and administers \$36 million in program funds annually with over 450 employees.

#### Chief Fiscal Officer

**1/2017 to Present**

- Oversee financial and accounting compliance, maintaining controls and managing potential business risks
- Manage the annual budget process and analysis activities
- Prepare presentation for Board of Directors meetings presenting the organization's financial results
- Develop and maintain banking relationships
- Manage the Annual Audit process

#### Senior Accountant

**5/2009-1/2017**

Assisted Fiscal Director in overseeing all fiscal and financial activities including compliance with federal, state, and funding source requirements as well as accordance with GAAP

- Developed and implemented indirect cost calculation and interfaced with General Ledger
- Monitored and prepared monthly budget vs actual reporting; recommended adjustments and forecast spending
- Created specialized reports for the individual grant's reporting requirements
- Designed allocation methods for properly billing shared items to individual grants and programs
- Prepared monthly agency program reviews for Fiscal Director's Board of Directors review

**WOOD STRUCTURES, INC. Biddeford, ME**

**2001-4/2009**

WSI, is a highly leveraged business owned by Roark Capital, a private equity fund, headquartered in Atlanta, GA. WSI is a \$70 million manufacturer of roof and floor trusses, wall panels and a distributor of engineered wood products. The company's products are sold into the residential and light commercial construction markets

Controller

**2006-4/2009**

Managed all aspects of accounting and reporting in a truss manufacturing plant as well as an engineered wood products distribution location that included 2 locations in Maine and 1 in Massachusetts.

- Calculated and assisted in the management of the company's covenants
- Worked closely with senior management during the sale process from the seller (Harbour Group) and buyer (Roark Capital)
- Identified cost drivers and implemented process changes to reduce the monthly closing cycle from 18 to 5 days
- Conducted monthly reviews with the managers on financial results and measurement
- Oversaw the payroll function of 160+ employees

Accounting Manager

**2001-2006**

Recruited to company to restore financial controls and establish best practices concerning both general ledger and cost accounting processes. Responsible for overseeing the accounting of 2 locations in Maine and 1 in Alabama.

- Established the reporting protocols of the company used by both equity sponsors
- Educated, motivated and developed a staff of 3 to succeed in their rolls of financial responsibility
- Identified and implemented processes and procedures for all intercompany sales, transfers, consolidation and eliminations
- Streamlined the payroll process that included transferring to an external supplier (ADP), which reduced cost by 40%
- Conducted physical inventories and defined their policies and procedure at all locations.

**VISHAY SPRAGUE, Sanford, ME**

**1978-2001**

Vishay Sprague is a division of Vishay Intertechnology Inc. (NYSEL VSH) a global manufacturer of discrete semiconductors and passive electronic components. The Sprague Division manufactures solid tantalum capacitors with annual sales of \$200 million and 1,400 employees.

Plant Cost Accounting Manager

**1997-2001**

Division General Accounting Manager

**1995-1997**

Division Operation Accountant

**1989-1995**

Division Fixed Asset Accountant

**1987-1989**

Master Engineering Technician

**1984-1987**

Lead Production Technician

**1978-1984**

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**EDUCATION**

**NASSON COLLEGER, Springvale, ME**

B.S. in Business Administration

# RYAN CLOUTHIER



## OBJECTIVE

Seeking a leadership role which will allow me the opportunity to utilize and build upon my knowledge and passion for the work performed by Community Action Agencies in the state of New Hampshire, while at the same time being the support and strength for the Communities we serve.



## EXPERIENCE

### Deputy Director | Southern New Hampshire Services Inc.

FEB. 2018-PRESENT

Serving as part of the Executive Management Team and is responsible for providing inspiring leadership to the Southern New Hampshire Services (SNHS) senior management team and developing a performance culture to ensure the effective management of a comprehensive array of over sixty programs. The Deputy Director will tie the various component programs including: nutrition; housing; energy; workforce development; income enhancement; education; and elderly services to the agency, to each other, and to the general community, by promoting and communicating the mission of Community Action. In conjunction with the Executive Director and Fiscal Officer the Deputy Director provides the stewardship of SNHS by being actively involved with the agency's high-performance senior leadership team in the development, implementation, and management of the program content as well as annual budgets. Responsible for ensuring that services and programs provided fulfill the agency's mission, and are in compliance with all federal, state, funding, and city regulations, certifications, and licensing requirements.

### Energy and Housing Operations Director | Southern New Hampshire Services Inc.

2016 – 2018

Responsible for providing the various SNHS Energy and Crisis programs, Information Technology, Housing and Maintenance programs with mission, vision and leadership. Responsible for the planning, implementation, and evaluation of all facets of fiscal and program management, effectiveness while providing general oversight for all of the program's administration and day-to-day management, including budget management, grant writing and purchasing. Also responsible for maintaining a working relationship with governmental officials, local boards and agencies in developing and managing the programs. In conjunction with the Executive Director and Fiscal Officer this positions provides the stewardship of SNHS by being actively involved with the agency's high-performance senior leadership team in the development, implementation, and management of program content as well as annual budgets. Responsible for ensuring that services and programs provided fulfill the agency's mission and are in compliance with all federal, state, funding, city, certifications, and licensing requirements.

### Energy Director | Southern New Hampshire Services Inc.

2013 – 2016

Responsible for coordination, implementation, budgeting, overall supervision and management of the Fuel and Electric Assistance Programs, Crisis Programs, Weatherization Program, Lead Hazard Control Program, and YouthBuild Program for Hillsborough and Rockingham Counties. Develop and Maintain relationships with federal, state and local grantors. Intervene on behalf of the Community Action pertaining to the Core Utility Weatherization Energy Efficiency Programs. Maintains a strong working relationships with OCA, NH Legal Assistance, Office of Strategic Initiative, DOE, Liberty Utilities, Eversource, NHEC, Unitol, NHHFA, NREL, Apprise and other local non-profit and private companies in the industry. Participates in multiple Healthy Home strategic planning committees.

### Weatherization Director | Southern New Hampshire Services Inc.

2006-2013

Responsible for coordination, implementation, budgeting, overall supervision and management of the Weatherization, Lead Abatement, and YouthBuild Programs for Hillsborough and Rockingham Counties. Developed and Maintain relationships with federal, state and local grantors. Intervened on behalf of the Community Action Association during the merge of Liberty Energy and National Grid Gas along with filings pertaining to the Core Energy Efficiency Programs. Developed strong working relationships with OCA, NH

Legal Assistance, Office of Energy and Planning, DOE, Liberty Energy, Eversource, NHEC, Unital, NHHFA, NREL, Apprise and other local non-profit and private companies in the industry. Served on the Department of Energy special task force designed to implement a National Best Practices Manual for JTA/KSA for Weatherization Energy Auditor Certification. Participated in a "One Touch" pilot effort which became a statewide practice and has received national recognition

#### Energy Auditor | Southern New Hampshire Services Inc.

2004 – 2006

Responsible for performing field energy audits of low income residential properties; record the data in written and computerized formats to determine cost effectiveness of conservation measures needed; generate work order specs for the contractors. Conduct proper follow through and field inspections to assure quality installations and client satisfaction.

#### Network Analyst | Genuity

2004 – 2006

Responsible for monitoring the Genuity Dial up network supporting AOL Domestic and International subscribers including Japan, USA and Canada. Responsibilities include isolating and troubleshooting problems/outages and configuration issues, on different types of Cisco routers, Lucent APX's, MAX's, and Nortel CVX's.

Troubleshooting consists of isolating problems through head to head testing with different Telco's. Also responsible for creating, troubleshooting, and closing tickets in a group ticketing queue. Demonstrated strengths in the areas of interpersonal skills and negotiation.



## EDUCATION

2000 NH Community Technical College

1994-1998: Dover High School

*Other:* Weatherization written and field certification, Department of Energy Quality Control Inspector Certification, multiple national and regional weatherization best practices trainings. Intro to Cisco routers, T1 and T3 design and troubleshooting training, ATM and Frame Relay network design training, LAN and WAN training, OC3, OC48, and OC192 design and troubleshooting training, BPI Energy Analyst. Lead contractor abatement Certification, RRP certification, OSHA 30 hour worker safety, DOE Lead Safe Weatherization certification.



## SKILLS

- Problem solving
- New Business Development
- Social Media
- Public Speaking
- Data Analysis/Analytical thinking
- Strategic Planning
- Operations Management
- Contract Negotiations
- Team and Relationship building
- Planning and forecasting
- Budget and Financial management
- Leadership
- Community Assessment
- Computer skills specific to job include, TREAT, NEAT, OTTER, FAP/EAP Microsoft 365, PowerPoint, Outlook, Word, Excel, Web, EmpowOR and CSST and many others that can be beneficial.



## ACTIVITIES/ACCOMPLISHMENTS

- Numerous press articles related to Weatherization including visits from the Assistant Secretary of Energy Efficiency from the Department of Energy and Vice President Joe Biden.
- Member of the City of Nashua Healthy Homes Strategic Planning Committee.
- Member of the City of Manchester Healthy Homes Strategic Planning Committee.
- Union Leader 40 under 40 Class of 2015.
- Vice President of the Neighbor helping Neighbor Board.
- Member of the Energy Efficiency and Sustainable Energy Board.
- Member of the Residential Ratepayers Advisory Board.

**Southern New Hampshire Services**  
**SS-2019-BHS-02-COMMU-03**  
Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Donnalee Lozeau	Executive Director	\$180,071	-0-	-0-
James Chaisson	Chief Fiscal Officer	\$125,962	-0-	-0-
Ryan Clouthier	Deputy Director	\$109,182	-0-	-0-

Subject: Community Services Block Grant (CSBG)/SS-2019-BHS-02-COMMU-04

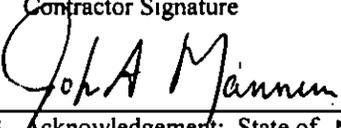
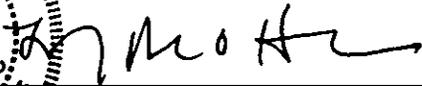
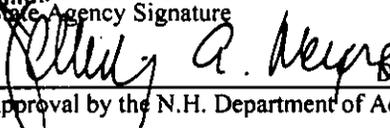
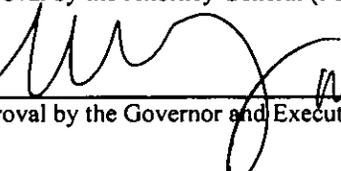
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Southwestern Community Services		1.4 Contractor Address 63 Community Way PO Box 603 Keene, NH 03431	
1.5 Contractor Phone Number 603-352-7512	1.6 Account Number 05-095-045-450010-71480000-102-500731-45012170	1.7 Completion Date September 30, 2019	1.8 Price Limitation \$428,148
1.9 Contracting Officer for State Agency Nathan D. White, Director Bureau of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory John A. Manning, Chief Executive Officer	
1.13 Acknowledgement: State of NH, County of Cheshire  On 12/17/18, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proved to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity stated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace 			
1.13.2 Name and Title of Notary or Justice of the Peace [Seal] [Signature] Notary, Notary			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Jeffrey A. Meyers, COMMISSIONER	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)  By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable)  By:  On: _____ Attorney 1/22/19			
1.18 Approval by the Governor and Executive Council (if applicable)  By: _____ On: _____			

*JM*  
12/17/18

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

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**

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

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

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

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

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

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

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

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

**7. PERSONNEL.**

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

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

Contractor Initials gm  
Date 12/17/18

Agreement. This provision shall survive termination of this Agreement.

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

## 8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or  
8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

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

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

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

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

## 9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

## 14. INSURANCE.

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

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

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

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

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

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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

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

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

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

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

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

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

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



Exhibit A

## Scope of Services

### 1. Provisions Applicable to All Services

- 1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. In accordance with the provisions of The Community Services Block Grant Act (42 U.S.C. et seq) as amended by Public Law 105-285 of October 27, 1998, also known as the Community Opportunities Accountability, Training and Educational Act of 1998 or the Coats Human Services Reauthorization Act of 1998; and any amendments thereto, the Contractor agrees to deliver Community Services to low-income individuals at or below 125 percent of the poverty income guidelines.
- 1.4. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 biennia.
- 1.5. For the purposes of this Agreement, the Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.0. et seq.

### 2. Scope of Services

- 2.1. The Contractor shall remain a designated Community Services Block Grant (CSBG) eligible entity by conforming to the requirements of the Acts referred to in Section 1 and any amendments thereto, which includes but is not limited to:
  - 2.1.1. Providing an annual community action plan, which shall describe:
    - 2.1.1.1. The service delivery system;
    - 2.1.1.2. Linkages to fill identified gaps; and
    - 2.1.1.3. Coordination with other public and private resources, and innovative initiatives.
  - 2.1.2. Providing of an annual community-needs assessment;
  - 2.1.3. Providing of an independent annual "Single Audit Act" audit;



Exhibit A

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- 2.1.4. Participating in an annual performance measure system via the Annual Report;
  - 2.1.5. Participating in the Organizational Performance Standards;
  - 2.1.6. Administering CSBG through a tripartite board that participates in the development, planning, implementation, and evaluation of the program;
  - 2.1.7. Ensuring that cost and accounting standards of the Office of Management and Budget are in effect; and
  - 2.1.8. Informing custodial parents in single-parent families about child support services and refer eligible parents to child support offices.
- 2.2. The Contractor shall provide, on an emergency basis, services to counteract conditions of starvation and malnutrition.
- 2.3. The Contractor shall coordinate, establish linkages and form partnerships with governmental as well as other social services and antipoverty programs.

*Jm*  
Date 12/17/18



Exhibit B

**Method and Conditions Precedent to Payment**

1. The State shall pay the Contractor an amount not to exceed the Form P-37, General Provisions, Block 1.8, Price Limitation, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. This Agreement is funded with funds from the Catalog of Federal Domestic Assistance, CFDA #93.569, Community Services Block Grant, Department of Health and Human Services, Administration for Children and Families.
3. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.
4. Payment for said services shall be made monthly as follows:
  - 4.1. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement.
  - 4.2. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month.
  - 4.3. Invoices must be completed, signed, dated and returned to the Department in order to initiate payment. The Contractor will keep detailed records of their activities related to DHHS-funded programs and services.
  - 4.4. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.
  - 4.5. Invoices must be submitted to:

CSBG Coordinator  
Department of Health and Human Services  
Bureau of Housing Supports  
129 Pleasant Street  
Concord, NH 03301
  - 4.6. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.
5. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule, or regulation applicable to the services provided, or if the said services have not been completed in accordance with the terms and conditions of this Agreement.

*Jm*

12/17/18



**SPECIAL PROVISIONS**

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

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

Exhibit C – Special Provisions

Contractor Initials Jm  
Date 12/17/18



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

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

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



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

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



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

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

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

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

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

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



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

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

**20. Contract Definitions:**

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



**REVISIONS TO GENERAL PROVISIONS**

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
  4. **CONDITIONAL NATURE OF AGREEMENT.**  
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;
  - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
  - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
  - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
  - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
  - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Renewal:**  
The Department reserves the right to extend this Agreement for up to three (3) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council.



**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

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

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

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

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

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

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

New Hampshire Department of Health and Human Services  
Exhibit D



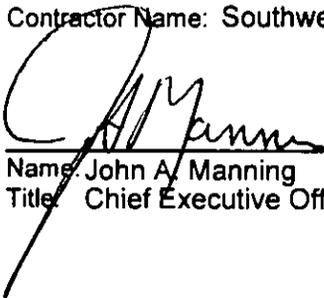
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted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

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

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

Contractor Name: Southwestern Community Services, Inc.

12/17/18  
Date

  
Name: John A. Manning  
Title: Chief Executive Officer

Contractor Initials   
Date 12/17/18



**CERTIFICATION REGARDING LOBBYING**

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

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

Programs (indicate applicable program covered):

- \*Temporary Assistance to Needy Families under Title IV-A
- \*Child Support Enforcement Program under Title IV-D
- \*Social Services Block Grant Program under Title XX
- \*Medicaid Program under Title XIX
- \*Community Services Block Grant under Title VI
- \*Child Care Development Block Grant under Title IV

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

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

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

Contractor Name: Southwestern Community Services, Inc.

12/17/18

Date

Name: John/A. Manning  
Title: Chief Executive Officer



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

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

**INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and



information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

**PRIMARY COVERED TRANSACTIONS**

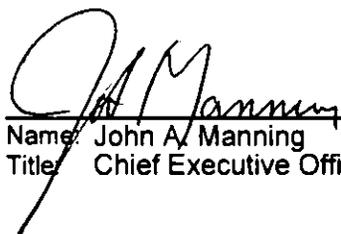
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
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

**LOWER TIER COVERED TRANSACTIONS**

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
  - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
  - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name: Southwestern Community Services, Inc.

12/17/18  
Date

  
Name: John A. Manning  
Title: Chief Executive Officer



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

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

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

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

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

Exhibit G

Contractor Initials

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

New Hampshire Department of Health and Human Services  
Exhibit G



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

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

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

Contractor Name: Southwestern Community Services, Inc.

12/17/18

Date

A handwritten signature in black ink, appearing to read "J.A. Manning", written over a horizontal line.

Name: John A. Manning  
Title: Chief Executive Officer

Exhibit G

Contractor Initials

Handwritten initials "JM" in black ink, written over a horizontal line.

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

Date 12/17/18



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

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

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name: Southwestern Community Services, Inc.

12/17/18

Date

Name: John A. Manning

Title: Chief Executive Officer

JM  
12/17/18



Exhibit I

**HEALTH INSURANCE PORTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

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

(1) **Definitions.**

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

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Exhibit I

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

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

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

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Exhibit I

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

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

**(3) Obligations and Activities of Business Associate.**

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

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

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

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Exhibit I

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

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

*JM*  
Date 12/17/18



Exhibit I

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

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

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

**(6) Miscellaneous**

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

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Contractor Initials

Date

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12/17/18



Exhibit I

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

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

Department of Health and Human Services  
The State  
*Jeffrey A. Meepers*  
 Signature of Authorized Representative  
*Jeffrey A. Meepers*  
 Name of Authorized Representative  
*Commissioner*  
 Title of Authorized Representative  
*1.15.18*  
 Date

Southwestern Community Services, Inc.  
Name of the Contractor  
*John A. Manning*  
 Signature of Authorized Representative  
John A. Manning  
 Name of Authorized Representative  
Chief Executive Officer  
 Title of Authorized Representative  
12/17/18  
 Date



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

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

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

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

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

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

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

Contractor Name: Southwestern Community Services, Inc.

12/17/18

Date

Name: John A. Manning  
Title: Chief Executive Officer



FORM A

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

1. The DUNS number for your entity is: 081251381
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

X  NO                      \_\_\_\_\_ YES

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

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

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

\_\_\_\_\_ NO                      \_\_\_\_\_ YES

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

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

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

Name: _____	Amount: _____



A. Definitions

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

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

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

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



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

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

## I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

### A. Business Use and Disclosure of Confidential Information.

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



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

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

## II. METHODS OF SECURE TRANSMISSION OF DATA

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

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

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

### III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

#### A. Retention

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

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

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

**B. Disposition**

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

**IV. PROCEDURES FOR SECURITY**

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



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

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Exhibit K

DHHS Information Security Requirements

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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

DHHS Information Security Requirements



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

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

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

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

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



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

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

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

State of New Hampshire  
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SOUTHWESTERN COMMUNITY SERVICES, INC. is a New Hampshire nonprofit corporation formed May 19, 1965. 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 14<sup>th</sup> day of April A.D. 2016

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

William M. Gardner  
Secretary of State

## Business Information

### Business Details

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Business Name:	SOUTHWESTERN COMMUNITY SERVICES, INC.	Business ID:	65514
Business Type:	Domestic Nonprofit Corporation	Business Status:	Good Standing
Business Creation Date:	05/19/1965	Name in State of Incorporation:	Not Available
Date of Formation in Jurisdiction:	05/19/1965		
Principal Office Address:	63 Community Way, Keene, NH, 03431, USA	Mailing Address:	63 Community Way, Keene, NH, 03431, USA
Citizenship / State of Incorporation:	Domestic/New Hampshire		
Duration:	Perpetual	Last Nonprofit Report Year:	2015
Business Email:	NONE	Next Report Year:	2020
Notification Email:	NONE	Phone #:	NONE
		Fiscal Year End Date:	NONE

---

# CERTIFICATE OF VOTE

I, Elaine M. Amer, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Southwestern Community Services, Inc. Board of Directors  
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of  
the Agency duly held on 02/18/16:  
(Date)

**RESOLVED:** That the Chief Executive Officer  
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of  
the 17 day of December, 2018.  
(Date Contract Signed)

4. John A. Manning is the duly elected Chief Executive Officer  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Elaine M. Amer  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Cheshire

The forgoing instrument was acknowledged before me this 17 day of December, 2018.

By Elaine M. Amer  
(Name of Elected Officer of the Agency)

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



gm  
12/17/18



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/13/2018

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).

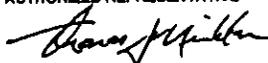
<b>PRODUCER</b> Clark - Mortenson Insurance P.O. Box 606 Keene NH 03431	<b>CONTACT NAME:</b> PHONE (A/C No., Ext): 603-352-2121      FAX (A/C No.): 603-357-8491 E-MAIL ADDRESS: csr24@clark-mortenson.com	
	<b>INSURER(S) AFFORDING COVERAGE</b> NAIC #	
<b>INSURED</b> Southwestern Comm Services Inc PO Box 603 Keene NH 03431	<b>INSURER A:</b> Philadelphia Insurance Company      0	
	<b>INSURER B:</b> Maine Employer Mutual Insurance Co.	
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	

**COVERAGES**      **CERTIFICATE NUMBER:** 1745206679      **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL 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"/> PROJ. JECT <input checked="" type="checkbox"/> LOC OTHER:			PHPK1835088	6/30/2018	6/30/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PHPK1835088	6/30/2018	6/30/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB633333	6/30/2018	6/30/2019	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
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	3102800788	4/1/2018	4/1/2019	<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A	Professional Liability			PHPK1835088	6/30/2018	6/30/2019	\$1,000,000 per occurrence \$2,000,000 general aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Workers Compensation Statutory coverage provided for the State of NH  
 All Executive Officers are included in the Workers Compensation coverage

<b>CERTIFICATE HOLDER</b>  NH DHHS Contracts Unit Brown Building 129 Pleasant Street Concord NH 03301	<b>CANCELLATION</b>  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 

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# Southwestern Community Services

Over 45 years of people helping people in Cheshire and Sullivan counties

## Vision Statement

SCS seeks to create and support a climate within the communities of southwestern New Hampshire wherein *poverty is never accepted* as a chronic or permanent condition of any person's life.

## Mission Statement

SCS strives to empower low income people and families. *With dignity and respect*, SCS will provide direct assistance, reduce stressors and advocate for such persons and families as they lift themselves toward *self-sufficiency*.

## Community Statement

*In partnership and close collaboration* with local communities, SCS will provide *leadership and support* To develop resources, programs and services to further aid this population.

63 Community Way  
PO Box 603  
Keene, NH 03431-0603  
Phone: (603) 352-7512  
Fax: (603) 352-3618



Call Toll Free: (800) 529-0005  
TTY-NH: (800) 735-2964

96-102 Main Street  
PO Box 1338  
Claremont, NH 03743  
Phone: (603)-542-9528  
Fax: (603) 542-3140

*Financial Statements*

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**SOUTHWESTERN COMMUNITY SERVICES, INC.  
AND RELATED COMPANIES**

**FOR THE YEARS ENDED  
MAY 31, 2018 AND 2017  
AND  
INDEPENDENT AUDITORS' REPORTS**

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MAY 31, 2018 AND 2017**

**TABLE OF CONTENTS**

	<b><u>Page(s)</u></b>
Independent Auditors' Report	1 - 2
Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statements of Cash Flows	5 - 6
Consolidated Statement of Functional Expenses	7
Notes to Consolidated Financial Statements	8 - 22
Supplementary information:	
Consolidated Schedule of Functional Revenues and Expenses	23
Schedule of Expenditures of Federal Awards	24
Notes to Schedule of Expenditures of Federal Awards	25
Independent Auditors' Reports on Internal Control and Compliance	26 - 29
Schedule of Findings and Questioned Costs	30
Summary Schedule of Prior Audit Findings	31

**Leone,  
McDonnell  
& Roberts**

PROFESSIONAL FIDELITY  
CERTIFIED IN DELAWARE STATES  
WATERBURY • NORTH CONWAY  
DANVER • CHICAGO  
STAMFORD

To the Board of Directors of  
Southwestern Community Services, Inc.  
Keene, New Hampshire

**INDEPENDENT AUDITORS' REPORT**

**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statements of financial position as of May 31, 2018 and 2017, and the related consolidated statements of cash flows, and notes to the consolidated financial statements for the years then ended, and the related consolidated statements of activities and functional expenses for the year ended May 31, 2018.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

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

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

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

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Southwestern Community Services, Inc. and related companies as of May 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Southwestern Community Services, Inc. and related companies' 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 11, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of Functional Revenues and Expenses, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2018, on our consideration of Southwestern Community Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southwestern Community Services, Inc.'s internal control over financial reporting and compliance.

*Leone McDonnell & Roberts*  
*Professional Association*

September 17, 2018.  
Wolfeboro, New Hampshire

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
MAY 31, 2018 AND 2017**

**ASSETS**

	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,086,895	\$ 947,175
Accounts receivable	1,095,488	1,360,685
Prepaid expenses	35,019	19,252
Notes receivable	112,000	112,000
Interest receivable	45,547	41,067
Total current assets	<u>2,374,947</u>	<u>2,480,179</u>
<b>PROPERTY</b>		
Land and buildings	14,438,178	13,335,396
Vehicles and equipment	549,305	703,835
Furniture and fixtures	39,817	25,758
Total property	<u>15,027,100</u>	<u>14,064,987</u>
Less accumulated depreciation	<u>4,880,952</u>	<u>4,579,760</u>
Property, net	<u>10,146,148</u>	<u>9,485,027</u>
<b>OTHER ASSETS</b>		
Investment in related parties	88,706	142,782
Due from related parties	152,959	219,108
Cash escrow and reserve funds	517,853	359,589
Security deposits	51,996	37,906
Other assets	384	384
Total other assets	<u>811,898</u>	<u>759,769</u>
Total assets	<u>\$ 13,332,993</u>	<u>\$ 12,724,975</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 124,085	\$ 166,495
Accrued expenses	206,178	233,842
Accrued payroll and payroll taxes	250,892	241,035
Other current liabilities	135,573	148,698
Refundable advances	193,931	238,345
Current portion of long term debt	218,438	211,313
Total current liabilities	1,126,897	1,239,728
<b>NONCURRENT LIABILITIES</b>		
Long term debt, less current portion shown above	<u>8,273,983</u>	<u>8,087,475</u>
Total liabilities	<u>9,400,880</u>	<u>9,327,203</u>
<b>NET ASSETS</b>		
Unrestricted	3,774,641	3,243,933
Temporarily restricted	157,472	153,839
Total net assets	<u>3,932,113</u>	<u>3,397,772</u>
Total liabilities and net assets	<u>\$ 13,332,993</u>	<u>\$ 12,724,975</u>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2018  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2018 Total</u>	<u>2017 Total</u>
<b>REVENUES AND OTHER SUPPORT</b>				
Government contracts	\$ 11,055,093	\$ -	\$ 11,055,093	\$ 9,722,823
Program service fees	1,888,188	-	1,888,188	1,862,236
Rental income	801,642	-	801,642	661,932
Developer fee income	50,000	-	50,000	265,000
Support	389,363	119,866	509,229	400,116
Fundraising	105,286	-	105,286	60,170
Interest income	8,959	-	8,959	6,689
Forgiveness of debt	75,971	-	75,971	90,148
Miscellaneous	100,772	-	100,772	140,537
In-kind contributions	<u>161,852</u>	<u>-</u>	<u>161,852</u>	<u>162,968</u>
Total revenues and other support	14,617,126	119,866	14,736,992	13,392,627
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>116,233</u>	<u>(116,233)</u>	<u>-</u>	<u>-</u>
Total revenues, other support, and net assets released from restrictions	<u>14,733,359</u>	<u>3,633</u>	<u>14,736,992</u>	<u>13,392,627</u>
<b>EXPENSES</b>				
<b>Program services</b>				
Home energy programs	4,847,201	-	4,847,201	3,812,708
Education and nutrition	2,530,152	-	2,530,152	2,367,558
Homeless programs	2,172,388	-	2,172,388	2,056,525
Housing services	2,048,214	-	2,048,214	2,073,178
Economic development services	728,119	-	728,119	571,865
Other programs	<u>945,391</u>	<u>-</u>	<u>945,391</u>	<u>963,917</u>
Total program services	13,271,465	-	13,271,465	11,845,751
<b>Supporting activities</b>				
Management and general	<u>1,749,700</u>	<u>-</u>	<u>1,749,700</u>	<u>1,776,106</u>
Total expenses	<u>15,021,165</u>	<u>-</u>	<u>15,021,165</u>	<u>13,621,857</u>
<b>CHANGES IN NET ASSETS BEFORE LOSS ON SALE OF PROPERTY</b>	<u>(287,806)</u>	<u>3,633</u>	<u>(284,173)</u>	<u>(229,230)</u>
<b>LOSS ON SALE OF PROPERTY</b>	<u>(4,583)</u>	<u>-</u>	<u>(4,583)</u>	<u>(19,355)</u>
<b>(LOSS) GAIN ON INVESTMENT IN LIMITED PARTNERSHIPS</b>	<u>(188)</u>	<u>-</u>	<u>(188)</u>	<u>132,782</u>
<b>CHANGE IN NET ASSETS</b>	<u>(292,577)</u>	<u>3,633</u>	<u>(288,944)</u>	<u>(115,803)</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	3,243,933	153,839	3,397,772	3,513,575
<b>NET ASSETS TRANSFERRED FROM LIMITED PARTNERSHIP</b>	<u>823,285</u>	<u>-</u>	<u>823,285</u>	<u>-</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>4,067,218</u>	<u>153,839</u>	<u>4,221,057</u>	<u>3,513,575</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,774,641</u>	<u>\$ 157,472</u>	<u>\$ 3,932,113</u>	<u>\$ 3,397,772</u>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MAY 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (288,944)	\$ (115,803)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation and amortization	467,929	415,720
Loss on sale of property	4,583	19,355
Loss (gain) on investment in limited partnerships	188	(132,782)
Forgiveness of debt	(75,971)	(90,148)
(Increase) decrease in assets:		
Accounts receivable	265,189	(258,318)
Prepaid expenses	(3,439)	4,181
Interest receivable	(4,480)	(4,480)
Due from related parties	66,149	73,417
Security deposits	(2,623)	(1,945)
Increase (decrease) in liabilities:		
Accounts payable	(53,220)	11,248
Accrued expenses	(38,863)	87,479
Accrued payroll and payroll taxes	9,657	22,853
Other current liabilities	(13,125)	(32,998)
Refundable advances	(44,414)	37,281
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>288,828</u>	<u>35,040</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease (increase) in escrow funds	5,846	(18,222)
Proceeds from sale of property	-	6,000
Purchase of property	<u>(142,791)</u>	<u>(247,598)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(136,945)</u>	<u>(259,820)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term debt	76,143	106,019
Repayment of long term debt	<u>(112,612)</u>	<u>(122,890)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(36,469)</u>	<u>(16,871)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	115,212	(241,851)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	947,175	1,188,828
<b>CASH TRANSFERRED FROM LIMITED PARTNERSHIP</b>	<u>24,508</u>	-
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,086,895</u>	<u>\$ 947,175</u>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED MAY 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ 142,467	\$ 141,285
<b>SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Property financed by long term debt	<u>\$ -</u>	<u>\$ 33,100</u>
Transfer of assets from newly consolidated LP:		
Prepaid expenses	\$ (12,328)	\$ -
Land and buildings	(894,504)	-
Furniture and fixtures	(96,338)	-
Cash escrow and reserve funds	(164,110)	-
Security deposits	<u>(11,467)</u>	<u>-</u>
Total transfer of assets from newly consolidated LP	<u>\$ (1,178,747)</u>	<u>\$ -</u>
Transfer of liabilities from newly consolidated LP:		
Accounts payable	\$ 10,810	\$ -
Accrued expenses	11,199	-
Long term debt	<u>304,073</u>	<u>-</u>
Total transfer of liabilities from newly consolidated LP	<u>\$ 326,082</u>	<u>\$ -</u>
Total partners' capital from newly consolidated LP	\$ 877,173	\$ -
Partners' capital previously recorded as investment in related parties	<u>(53,888)</u>	<u>-</u>
Total transfer of partners' capital from newly consolidated LP	<u>\$ 823,285</u>	<u>\$ -</u>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED MAY 31, 2018  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2018 Total	2017 Total
Payroll	\$ 308,452	\$ 1,208,631	\$ 435,638	\$ 771,828	\$ 405,189	\$ 429,358	\$ 1,658,188	\$ 774,458	\$ 4,432,662	\$ 4,142,943
Payroll taxes	31,599	99,882	34,153	56,803	30,418	38,918	289,771	80,813	350,684	331,590
Employee benefits	122,782	453,204	148,394	278,383	87,744	187,020	1,278,517	54,580	1,330,107	1,351,824
Retirement	24,966	69,878	21,031	64,244	19,280	17,448	219,821	73,148	289,969	274,815
Advertising	-	142	1,897	4,166	2,114	-	18,172	24,491	24,491	29,517
Bank charges	15	-	120	3,834	-	-	3,969	9,079	13,948	12,127
Computer cost	-	9,183	4,300	14,144	14,298	3,500	45,427	62,052	107,479	115,143
Contractual	518,340	52,483	242,835	20,362	2,718	108,718	948,536	14,821	961,457	887,284
Depreciation	-	28,300	108,291	167,840	-	-	320,582	147,387	487,929	415,720
Dues/registration	-	8,036	-	343	988	-	8,364	10,175	18,539	19,077
Duplicating	1,584	8,148	-	-	-	-	9,732	4,321	14,053	9,842
Insurance	8,909	13,381	23,653	52,787	14,810	8,248	118,068	38,380	154,448	147,175
Interest	-	8,656	7,759	8,997	-	2,554	25,066	118,501	147,487	141,285
Meeting and conference	3,961	58	9,280	7,177	600	18,305	40,394	35,924	78,318	49,122
Miscellaneous expense	909	971	2,300	18,698	4,442	18,560	45,881	13,182	59,063	168,334
Miscellaneous taxes	-	-	-	28,381	-	-	28,381	886	27,367	32,856
Equipment purchases	4,670	24,320	80	12,348	-	-	41,418	2,305	43,723	9,991
Office expense	34,413	12,813	8,440	14,508	12,042	4,078	88,090	20,402	108,492	73,351
Postage	132	274	182	31	348	50	1,017	22,918	23,935	24,329
Professional fees	4,890	-	1,875	15,879	-	-	22,844	83,768	108,410	134,341
Staff development and training	1,430	23,724	2,624	8,287	5,875	28,044	69,784	2,843	72,727	51,472
Subscriptions	-	-	28	87	-	-	115	1,329	1,444	2,307
Telephone	2,088	15,297	18,681	14,569	2,435	3,239	57,307	58,578	113,883	114,072
Travel	5,335	20,013	20,312	5,185	28,509	2,000	82,364	3,509	85,873	77,044
Vehicle	2,140	2,310	712	31,828	45,200	9,201	91,589	10,881	102,570	85,571
Rent	-	25,201	-	-	-	-	25,201	-	25,201	25,250
Space costs	148	140,213	258,649	438,344	-	1,009	836,563	128,968	965,529	834,572
Direct client assistance	3,683,488	145,220	823,938	14,447	50,531	23,843	4,741,445	-	4,741,445	4,097,767
In-kind expenses	-	181,852	-	-	-	-	181,852	-	181,852	182,968
<b>TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION</b>	<b>4,847,201</b>	<b>2,530,152</b>	<b>2,172,388</b>	<b>2,048,214</b>	<b>728,119</b>	<b>845,391</b>	<b>13,271,485</b>	<b>1,749,700</b>	<b>15,021,165</b>	<b>13,821,857</b>
Allocation of management and general expenses	639,951	333,574	288,400	270,035	85,895	124,839	1,749,700	(1,749,700)	-	-
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 5,488,252</b>	<b>\$ 2,863,726</b>	<b>\$ 2,458,788</b>	<b>\$ 2,318,249</b>	<b>\$ 824,114</b>	<b>\$ 1,070,030</b>	<b>\$ 15,021,185</b>	<b>\$ -</b>	<b>\$ 15,021,165</b>	<b>\$ 13,821,857</b>

See Notes to Consolidated Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MAY 31, 2018 AND 2017**

**NOTE 1      ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

Southwestern Community Services, Inc. (the Organization) is a New Hampshire nonprofit corporation formed as an umbrella corporation that offers an array of services to the elderly, disabled, and low-income households in the Cheshire and Sullivan counties of New Hampshire. Various programs provide assistance in the areas of education, child development, employment, energy and its conservation, housing, and homelessness prevention. Services are provided through Southwestern Community Services, Inc., and its related corporations, SCS Management Corporation, SCS Housing, Inc., SCS Development Corporation, SCS Housing Development, Inc., and various limited partnerships, as described below. The Organization is committed to providing respectful support service and assisting individuals and families in achieving self-sufficiency by helping them overcome the causes of poverty. The primary source of revenues is derived from governmental contracts.

**Basis of Accounting**

The consolidated financial statements of Southwestern Community Services, Inc. and related companies have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles.

**Principles of Consolidation**

The consolidated financial statements include the accounts of Southwestern Community Services, Inc. and the following entities as Southwestern Community Services, Inc. has both an economic interest and control of the entities through a majority voting interest in their governing board. All significant intercompany items and transactions have been eliminated from the basic consolidated financial statements.

- SCS Management Corporation
- SCS Housing, Inc.
- SCS Development Corporation
- SCS Housing Development, Inc.
- Drewsville Carriage House Associates, Limited Partnership (Drewsville)
- Jaffrey Housing Associates, Limited Partnership (Jaffrey)
- Troy Senior Housing Associates, Limited Partnership (Troy Senior)
- Keene East Side Senior Housing Associates, Limited Partnership (Keene East Side)
- Winchester Senior Housing Associates, Limited Partnership (Winchester) (2018 only)

### **Basis of Presentation**

Financial statement presentation follows the recommendations of the Accounting Standard Codification No. 958-210, Financial Statements of Not-for-Profit Organizations. Under FASB ASC 958-210, the Organization 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 upon the existence or absence of donor-imposed restrictions.

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

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

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

As of May 31, 2018 and 2017, the Organization had unrestricted and temporarily restricted net assets.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended May 31, 2017 from which the summarized information was derived.

### **Refundable Advances**

The Organization records grant and contract revenue as refundable advances until it is expended for the purpose of the grant or contract, at which time it is recognized as revenue.

### **In-Kind Support**

The Organization records various types of in-kind support including professional services and materials. Contributed professional services are recognized if the service received creates or enhances long-lived assets or requires specialized skill, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received.

### **Estimates**

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

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all liquid investments purchased with original maturities of three months or less to be cash equivalents.

### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at May 31, 2018 and 2017. The Organization has no policy for charging interest on overdue accounts.

### **Notes Receivable**

The Organization has two notes receivable from an unrelated third party. The notes receivables are stated at the amount that is expected to be collected at year end. Interest is accrued at a rate of 4% annually. The balance of the notes receivable and related interest receivable at May 31, 2018 was \$112,000 and \$45,547, respectively. At May 31, 2017, the balance of the notes receivable and related interest receivable were \$112,000 and \$41,067, respectively.

### **Current Vulnerability Due to Certain Concentrations**

The Organization is operated in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or Legislature. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. For the years ended May 31, 2018 and 2017, approximately 75% and 73%, respectively, of the Organization's total revenue was received from government agencies. The future nature of the organization is dependent upon continued support from the government.

### **Concentration of Credit Risk**

The Organization maintains its cash accounts in several financial institutions, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to these accounts.

### **Property and Depreciation**

Purchased property and equipment are stated at cost at the date of acquisition or at fair value at the date of receipt in the case of donated property. The Organization generally capitalizes and depreciates all assets with a cost greater than \$5,000 and an expected life greater than one year. Depreciation is provided for using the straight-line method in amounts designed to amortize the cost of the assets over their estimated useful lives as follows:

Buildings and improvements	10 - 40 Years
Vehicles and equipment	5 - 10 Years
Furniture and fixtures	7 Years

The use of certain assets is specified under the terms of grants received from agencies of the federal government. These grants also place liens on certain assets and impose restrictions on the use of funds received from the disposition of the property. Depreciation expense for the years ended May 31, 2018 and 2017 totaled \$467,929 and \$415,720, respectively.

### **Advertising**

The Organization expenses advertising costs as incurred.

### **Revenue Recognition**

Amounts received from conditional grants and contracts received for specific purposes are generally recognized as income to the extent that related expenses and conditions are incurred or met. Conditional grants received prior to the conditions being met are reported as refundable advances. Contributions of cash and other assets are reported as restricted if they are received with donor imposed stipulations that limit the use of the donated assets. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.

### **Income Taxes**

Southwestern Community Services, Inc. and SCS Management Corporation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and are not private foundations. As such, they are exempt from income tax on their exempt function income.

SCS Housing, Inc., SCS Development Corporation and SCS Housing Development, Inc. are taxed as corporations. SCS Housing Inc. has federal net operating loss carryforwards totaling \$915,425 and \$840,803 at May 31, 2018 and 2017, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2027. SCS Development Corporation has federal net operating loss carryforwards totaling \$607 and \$629 at May 31, 2018 and 2017, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2020.

The tax effects of the carryforwards as related to deferred tax assets is as follows as of May 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Tax benefit from loss carryforwards	\$137,408	\$126,215
Valuation allowance	<u>(137,408)</u>	<u>(126,215)</u>
Deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

Drewsville, Jaffrey, Troy Senior, Winchester and Keene East Side are taxed as partnerships. Federal income taxes are not payable by, or provided for these entities. Earnings and losses are included in the partners' federal income tax returns based on their share of partnership earnings. Partnerships are required to file income tax returns with the State of New Hampshire and pay an income tax at the state's statutory rate.

Accounting Standard Codification No. 740, "Accounting for Income Taxes," established the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. Management has analyzed the Organization's tax position taken on its income tax returns for all open years (tax years ending May 31, 2015 – 2018), and has concluded that no additional provision for income taxes is necessary in the Organization's financial statements.

#### **Fair Value of Financial Instruments**

FASB ASC Topic No. 820-10, Financial Instruments, provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with ASC 820-10, the Organization may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, Topic 820-10 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy under ASC Topic 820-10 are described as follows:

**Level 1** – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

**Level 2** - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

**Level 3** - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The carrying amount of cash, accounts receivables, prepaid expenses, accounts payable, accrued expenses, and refundable advances approximates fair value because of the short maturity of those instruments.

**Functional Allocation of Expenses**

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

**NOTE 2 BANK LINE OF CREDIT**

The Organization has a \$250,000 revolving line of credit agreement with a bank. Interest is due monthly and is stated at the Wall Street Journal Prime Rate. The line is secured by all the Organization's assets. As of May 31, 2018 and 2017, the interest rate was 4.75% and 4.00%, respectively. There was no outstanding balance at May 31, 2018 and 2017.

**NOTE 3 LONG TERM DEBT**

The long term debt at May 31, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
1% mortgage payable to New Hampshire Housing in monthly installments for principal and interest of \$891 through August 2032. The note is secured by real estate of the Organization (NHHFA, 96 Main Street).	\$ 154,832	\$ 163,926
Non-interest bearing mortgage payable to Community Development Finance Authority, in quarterly principal payments based on operating income formula applied to affordable housing portion of the specified real estate. The note is secured by real estate of the Organization (CDFA, 96 Main Street).	32,147	32,147
4.5% note payable to a bank in monthly installments for principal and interest of \$978 through March 2021. The note is secured by real estate of the Organization (People's United Bank, Ashuelot).	31,143	42,099

Non-interest bearing mortgage payable to New Hampshire Housing. Payment is deferred for 30 years, through September 2031, or until project is sold or refinanced. The note is secured by real estate of the Organization (NHHFA, 17 Pearl).	244,505	244,505
Non-interest bearing mortgage payable to New Hampshire Housing. Payment is deferred for 30 years, through July 2032, unless there is surplus cash from which to make a payment, or until project is sold or refinanced. The note is secured by real estate of the Organization (NHHFA, 41-43 Central).	376,363	376,558
4.25% mortgage payable to a bank in monthly installments for principal and interest of \$1,875 through December 2016, with a balloon payment that was due January 2017. The note was amended during the year ended May 31, 2018 and is now due December 2026. Under the amendment, interest rate is 4.94% and monthly installments for principal and interest are \$1,957. The note is secured by real estate of the Organization (People's United Bank, Milestones).	162,223	177,050
4.375% note payable to Rural Housing Service in monthly installments for principal and interest of \$11,050 through May 2049. The note is secured by real estate of the Organization (TD Bank, Keene Office).	2,247,266	2,280,750
Non-interest bearing note payable to Cheshire County in New Hampshire. Payment is not necessary unless Organization defaults on contract. The note is secured by real estate of the Organization (CDBG, Keene Office).	460,000	460,000
4% note payable to a development company, in annual interest installments only through March 2015 at which time a final balloon payment of the entire principal balance was due. The remaining balance is still outstanding at May 31, 2018 and is classified as current. The note is secured by real estate of the Organization (MEDC, Keene Office/Community Way).	63,000	63,000

<p>4% note payable to a development company, in annual interest installments only through March 2015 at which time a final balloon payment of the entire principal balance was due. The remaining balance is still outstanding at May 31, 2018 and is classified as current. The note is secured by real estate of the Organization (MEDC, Keene Office/Community Way).</p>	45,000	45,000
<p>Note payable to a bank in monthly installments for principal and interest of \$2,463 including interest through May 2039. Interest is adjusted every five years based on remaining principal balance and "Classic Advantage Rate" provided by Federal Home Loan Bank of Boston which resulted in an interest rate of 4.07% at May 31, 2018 and 2017. The note is secured by real estate of the Organization (TD Bank, Keene Office/Community Way).</p>	414,567	426,734
<p>5.19% note payable to a bank in monthly installments for principal and interest of \$889 through May 2021. The note is secured by real estate of the Organization (TD Bank, 45 Central Street).</p>	100,254	105,495
<p>Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note is forgiven each year providing the property is used for low income housing through January 2025. The note is secured by real estate of the Organization (HUD, Ashuelot).</p>	150,000	175,000
<p>Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note is forgiven each year providing the property is used for low income housing through January 2025. The note is secured by real estate of the Organization (HUD, 112 Charlestown Road).</p>	90,000	105,000
<p>Non-interest bearing note payable to New Hampshire Finance Authority in annual payments in the amount of 50% of annual surplus cash through July 2042 at which time the remaining balance is due. The note is secured by real estate of the Organization (NHHFA, Second Chance).</p>	794,189	794,189

Non-interest bearing note payable to a county in New Hampshire. No payment is due and 5% of the balance is forgiven each year through 2032 when the remaining balance becomes due. The note is secured by real estate of the Organization (CDBG, Second Chance).	363,677	382,818
3.99% note payable to a bank in monthly installments for principal and interest of \$355. The note was paid off in May 2018. The note was secured by a vehicle of the Organization (Ally, Kia Soul).	-	4,070
6.99% note payable to a finance company in monthly installments for principal and interest of \$652 through June 2019. The note is secured by a vehicle (TCF, Econoline Van).	8,741	15,688
5.54% note payable to a finance company in monthly installments for principal and interest of \$543 through August 2022. The note is secured by a vehicle (Ally, Econoline Van).	24,564	29,572
Jaffrey - 30-year deferred note payable to the Town of Jaffrey, New Hampshire. Payment of principal and accrued interest at 1% are deferred until the note matures in June 2027. The note is secured by land and buildings. The balance includes cumulative accrued interest of \$53,651 (CDBG).	303,651	300,645
Jaffrey - 6% note payable to a bank in monthly installments for principal and interest of \$485 through August 2027. The note is secured by land and buildings (TD Bank).	41,099	43,533
Troy Senior - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in June 2029. The note is secured by real estate of the Organization (CDBG).	640,000	640,000
Troy Senior - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficiency improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization (NHHFA).	140,210	140,210

Keene East Side - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in December 2028. The note is secured by real estate of the Organization (CDBG). 900,000 900,000

Keene East Side - Non-interest bearing note payable to New Hampshire Community Development Finance Authority (CDFA) to fund energy upgrades and capital improvements. Beginning in 2016, 10% of the note is forgiven each year based on the rolling balance. The mortgage may be released after ten years in January 2026. The note is secured by real estate of the Organization (CDFA). 178,172 121,865

Keene East Side - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficiency improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization (NHHFA). 228,934 228,934

Winchester - Non-recourse mortgage note payable to New Hampshire Housing (AHF), due May 2032, payable in monthly installments of \$370, including interest at 2.00%, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage note (NHHFA). 53,826

Winchester - Non-recourse, zero interest bearing mortgage note payable to New Hampshire Housing (FAF), due May 2032, payable at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30-year term of the mortgage note (NHHFA). 92,058

Winchester - Non-recourse, zero interest bearing, direct subsidy AHP loan secured by the Partnership's land and buildings, subject to low-income housing restrictions under the terms of the AHP agreement. In the event of a default under the aforementioned agreement, the loan is due upon demand with interest accrued at a rate of 11.67% for the period the funds were outstanding (Federal Loan Home Bank).

	<u>150,000</u>	<u>-</u>
	8,490,421	8,298,788
Less current portion due within one year	<u>216,438</u>	<u>211,313</u>
	<u>\$ 8,273,983</u>	<u>\$ 8,087,475</u>

The schedule of maturities of long term debt at May 31, 2018 is as follows:

Year Ending <u>May 31</u>	<u>Amount</u>
2019	\$ 216,438
2020	106,557
2021	108,028
2022	102,681
2023	102,148
Thereafter	<u>7,854,569</u>
Total	<u>\$ 8,490,421</u>

**NOTE 4**

**OPERATING LEASES**

The Organization leases facilities, equipment and vehicles under non-cancelable lease agreements at various financial institutions. Lease periods range from month to month to 2022. Monthly lease payments range from \$200 to \$3,521. Lease expense for the years ended May 31, 2018 and 2017 totaled \$176,479 and \$179,178, respectively.

Future minimum payments as of May 31, 2018 on the above leases are as follows:

Year Ending <u>May 31</u>	<u>Amount</u>
2019	\$ 76,776
2020	22,372
2021	18,977
2022	<u>15,618</u>
Total	<u>\$ 133,743</u>

**NOTE 6**      **ACCRUED COMPENSATED BALANCES**

At May 31, 2018 and 2017, the Organization accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$130,140 and \$127,577, respectively.

**NOTE 6**      **CONTINGENCIES**

Southwestern Community Services, Inc. is the 100% owner of SCS Housing, Inc. and SCS Housing Development, Inc. SCS Housing, Inc. and SCS Housing Development, Inc. are the general partners of ten limited partnerships formed to develop low-income housing projects through the use of Low Income Housing Tax Credits. Southwestern Community Services, Inc., SCS Housing, Inc. and SCS Housing Development, Inc. have guaranteed repayment of liabilities of various partnerships totaling approximately \$15,569,000 and \$15,590,000 at May 31, 2018 and 2017, respectively.

Partnership real estate with a cost basis of approximately \$41,158,000 and \$41,027,000 provides collateral on these loans at May 31, 2018 and 2017, respectively.

The Organization receives funds under various state grants and from Federal sources. Under the terms of these agreements, the Organization is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If costs were found not to have been incurred in compliance with the laws and regulations, the Organization might be required to repay the funds.

No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed by government audits as of May 31, 2018 and 2017.

**NOTE 7**      **RELATED PARTY TRANSACTIONS**

During the years ended May 31, 2018 and 2017, SCS Housing, Inc. managed ten limited partnerships. Management fees charged by SCS Housing, Inc. totaled \$322,973 and \$308,448, for the years ended May 31, 2018 and 2017, respectively. Additionally, SCS Housing, Inc. has advanced the limited partnerships funds for cash flow purposes over several years.

The Organization has also advanced funds to a related entity for Department of Housing and Urban Development (HUD) sponsorship purposes.

The total amount due and expected to be collected from the limited partnerships and related entity was \$142,959 and \$219,108 at May 31, 2018 and 2017, respectively.

**NOTE 8****EQUITY INVESTMENT**

Southwestern Community Services, Inc. and related companies use the equity method to account for their financial interests in the following companies:

	<u>2018</u>	<u>2017</u>
Cityside Housing Associates, LP	\$ (9,492)	\$ (9,481)
Marlborough Homes, LP	8	30
Payson Village Senior Housing Associates, LP	(12,491)	(12,477)
Railroad Square Senior Housing Associates, LP	(1,715)	(1,527)
Warwick Meadows Housing Associates, LP	(17)	(9)
Woodcrest Drive Housing Associates, LP	222,846	222,850
Winchester Senior Housing Associates, LP	-	53,888
Westmill Senior Housing, LP	90	-
Swanzy Township Housing Associates, LP	(31,190)	(31,183)
Snow Brook Meadow Village Housing Associates, LP	(60,716)	(60,709)
Keene Highland Housing Associates, LP	(243)	(226)
Pilot Health, LLC	<u>(18,374)</u>	<u>(18,374)</u>
	<u>\$ 88,706</u>	<u>\$ 142,782</u>

SCS Housing Development, Inc. is a 0.01% partner of Cityside Housing Associates, LP, Marlborough Homes, LP, Payson Village Senior Housing Associates, LP, Warwick Meadows Housing Associates, LP, and Woodcrest Drive Housing Associates, LP, a 0.10% partner of Railroad Square Senior Housing Associates, LP, and a 1% partner in Westmill Senior Housing, LP during the years ended May 31, 2018 and 2017.

SCS Housing, Inc. is a 0.01% partner of Winchester Senior Housing Associates, LP, Swanzy Township Housing Associates, LP, Snow Brook Meadow Village Housing Associates, LP, and Keene Highland Housing Associates, LP during the years ended May 31, 2018 and 2017.

The remaining 99.99% ownership interest in Winchester Senior Housing Associates, LP was acquired by Southwestern Community Service, Inc. during the year ended May 31, 2018 (see Note 12), and therefore the limited partnership is included in the consolidated financial statements for the year ended May 31, 2018.

Southwestern Community Services, Inc. is 14.3% member of Pilot Health, LLC.

Summarized financial information for entities accounted for under the equity method, as of May 31, 2018 and 2017, consists of the following:

	<u>2018</u>	<u>2017</u>
Total assets	\$ <u>32,782</u>	\$ <u>33,140</u>
Total liabilities	47,461	47,490
Capital/Member's equity	<u>(14,679)</u>	<u>(14,350)</u>
	<u>\$ 32,782</u>	<u>\$ 33,140</u>
Income	\$ 84,713	\$ 84,728
Expenses	<u>81,478</u>	<u>81,515</u>
Net income	<u>\$ 3,235</u>	<u>\$ 3,213</u>

**NOTE 9**      **RETIREMENT PLAN**

The Organization maintains a tax sheltered annuity plan under the provisions of Section 403(b) of the internal Revenue Code. All employees who have had at least 30 days of service to the Organization are eligible to contribute to the plan. The Organization begins matching contributions after the employee has reached one year of service. Employer contributions are at the Organization's discretion and totaled \$281,784 and \$274,815 for the years ended May 31, 2018 and 2017, respectively.

**NOTE 10**      **RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2018</u>	<u>2017</u>
NNECAC – Annual Conference Fund	\$ 21,327	\$ 38,129
WM Marcello GAPS Fund	12,781	14,789
Stand Down	4,963	-
GAPS/Warm Fund	<u>118,401</u>	<u>100,921</u>
Total temporarily restricted net assets	<u>\$ 157,472</u>	<u>\$ 153,839</u>

**NOTE 11**      **FORGIVENESS OF DEBT**

During the year ended May 31, 2018, the Organization realized forgiveness of debt income in connection with notes payable to the County of Cheshire, HUD and Community Development Finance Authority. Forgiveness of debt income totaled \$75,971 for the year ended May 31, 2018.

During the year ended May 31, 2017, the Organization realized forgiveness of debt income in connection with notes payable to the County of Cheshire, HUD and New Hampshire Housing. Forgiveness of debt income totaled \$90,148 for the year ended May 31, 2017.

**NOTE 12**    **TRANSFER OF PARTNERSHIP INTEREST**

During 2018, Southwestern Community Services, Inc. acquired a partnership interest in a low-income housing limited partnership: Winchester. The amount paid for the partnership interest was \$1 and at the time of acquisition, Southwestern Community Services, Inc. became the general partner. The following is a summary of the assets and liabilities of the partnership at the date of acquisition:

Date of transfer	<u>08/16/2018</u>
	<u>Winchester</u>
Cash	\$ 24,508
Security deposits	11,467
Cash-reserves	164,110
Property – net	990,842
Other assets	<u>12,328</u>
Total assets	<u>1,203,255</u>
Notes payable	304,073
Other liabilities	<u>22,009</u>
Total liabilities	<u>326,082</u>
Partners' capital	877,173
Partners' capital previously recorded as an investment in related parties	<u>(53,888)</u>
Partners' capital transferred	<u>\$ 823,285</u>

**NOTE 13**    **RECLASSIFICATION**

Certain amounts and accounts from the prior year's financial statements were reclassified to enhance comparability with the current year's financial statements.

**NOTE 14**    **SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date, but arose after that date. Management has evaluated subsequent events through September 17, 2018, the date the financial statements were available to be issued.

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES  
FOR THE YEAR ENDED MAY 31, 2018**

**WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2018 Total	2017 Total
<b>REVENUES</b>										
Government contracts	\$ 4,834,242	\$ 2,823,698	\$ 1,920,112	\$ 47,823	\$ 758,952	\$ 188,921	\$ 10,649,748	\$ 405,345	\$ 11,055,093	\$ 9,722,823
Program service fees	-	-	76,500	978,904	17,915	794,863	1,868,188	-	1,868,188	1,862,238
Rental income	-	-	117,370	684,072	-	200	801,642	-	801,642	861,832
Developer income	-	-	-	50,000	-	-	50,000	-	50,000	285,000
Support	104,817	35,405	80,437	-	139,240	130,530	509,229	-	509,229	400,118
Fundraising	-	-	60	-	-	105,208	105,288	-	105,288	80,170
Interest income	23	7	1,051	1,362	-	35	2,478	8,481	8,659	8,899
Forgiveness of Debt	-	-	59,141	18,830	-	-	75,971	-	75,971	90,148
Miscellaneous	2,010	128	6,485	42,373	47,352	-	98,348	2,428	100,772	140,537
In-kind contributions	-	181,852	-	-	-	-	181,852	-	181,852	162,958
<b>Total revenues and other support</b>	<b>5,040,892</b>	<b>3,021,099</b>	<b>2,280,192</b>	<b>1,821,384</b>	<b>981,459</b>	<b>1,187,755</b>	<b>14,322,740</b>	<b>414,252</b>	<b>14,736,992</b>	<b>13,392,827</b>
<b>EXPENSES</b>										
Payroll	\$ 398,452	\$ 1,208,831	\$ 435,538	\$ 771,028	\$ 405,189	\$ 439,358	\$ 3,658,188	\$ 774,466	\$ 4,432,862	\$ 4,142,943
Payroll taxes	31,589	99,882	34,153	58,893	30,418	38,918	289,771	60,913	350,684	331,590
Employee benefits	122,782	453,204	148,394	278,383	87,744	187,870	1,275,517	54,590	1,330,107	1,351,924
Retirement	24,900	69,870	21,031	84,244	19,280	17,448	216,821	73,148	289,969	274,815
Advertising	-	142	1,897	4,108	2,114	-	24,491	-	24,491	29,517
Bank charges	15	-	120	3,834	-	-	3,969	9,070	13,048	12,127
Computer cost	-	8,185	4,300	14,144	14,288	3,500	45,427	62,052	107,479	115,143
Contractual	818,348	52,483	242,835	20,362	2,718	109,718	948,538	14,821	963,457	587,284
Depreciation	-	28,300	108,291	187,840	-	18,131	320,562	147,367	467,929	415,720
De-registration	-	8,038	-	343	888	997	8,364	10,175	18,538	18,077
Duplicating	1,584	8,148	-	-	-	-	9,732	4,321	14,053	9,842
Insurance	8,909	13,361	23,653	52,287	14,818	8,248	118,058	38,380	156,448	147,175
Interest	-	8,656	7,759	8,997	-	2,554	25,966	118,501	142,487	141,285
Meeting & conference	3,981	58	8,293	7,177	600	19,305	40,394	35,924	76,318	48,122
Miscellaneous expense	909	971	2,303	18,898	4,442	18,860	45,831	13,182	59,013	168,334
Miscellaneous taxes	-	-	-	28,381	-	-	28,381	988	27,393	32,858
Equipment purchases	4,870	24,320	80	12,348	-	-	41,418	2,305	43,723	8,991
Office expense	34,413	12,813	8,440	14,508	12,042	4,078	88,000	20,492	108,492	73,351
Postage	132	274	182	31	348	80	1,017	22,918	23,935	24,329
Professional fees	4,890	-	1,875	15,870	-	-	22,844	83,768	106,418	134,341
Staff development and training	1,430	23,724	2,824	8,287	5,675	28,044	69,784	2,943	72,727	51,472
Subscriptions	-	-	28	87	-	-	115	1,444	1,559	2,307
Telephone	2,068	19,297	19,881	14,589	2,435	3,239	57,307	58,578	115,885	114,072
Travel	5,335	20,013	20,312	8,185	29,609	2,000	82,364	3,609	85,973	77,044
Vehicle	2,140	2,518	712	31,820	45,200	8,201	91,589	10,881	102,670	85,871
Rent	-	25,201	-	-	-	-	25,201	-	25,201	25,250
Specs costs	148	140,213	258,849	438,344	-	1,009	838,563	128,968	967,529	834,572
Direct client assistance	3,683,486	-	823,838	14,447	50,531	23,843	4,741,445	-	4,741,445	4,087,787
In-kind expenses	-	181,852	-	-	-	-	181,852	-	181,852	162,958
<b>TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION</b>	<b>4,847,201</b>	<b>2,530,152</b>	<b>2,172,388</b>	<b>2,048,214</b>	<b>728,119</b>	<b>945,391</b>	<b>13,271,485</b>	<b>1,749,700</b>	<b>15,021,185</b>	<b>13,821,857</b>
Allocation of management and general expenses	639,051	333,574	286,408	270,035	85,895	124,839	1,749,700	(1,749,700)	-	-
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 5,486,252</b>	<b>\$ 2,863,726</b>	<b>\$ 2,458,796</b>	<b>\$ 2,318,249</b>	<b>\$ 814,014</b>	<b>\$ 1,070,230</b>	<b>\$ 15,021,185</b>	<b>\$ -</b>	<b>\$ 15,021,185</b>	<b>\$ 13,821,857</b>

See Independent Auditors' Report

**SUPPLEMENTAL INFORMATION**

**(SEE INDEPENDENT AUDITORS' REPORT)**

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MAY 31, 2018**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S NUMBER	FEDERAL EXPENDITURE
<b>U.S. Department of Agriculture</b>				
Rural Housing Preservation Grant	10.433	Direct Funding	3403-03801-808	\$ 14,100
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Child and Adult Care Food Program	10.557	State of NH Dept. of Health & Human Services	018-080-5280000-102-800734	304,361
Food Distribution Cluster	10.556	State of NH, Dept of Education	Unknown	121,328
Community Supplemental Food Program	10.562	State of NH Dept. of Health & Human Services	018-080-5280000-102-800734	\$ 100,788
Emergency Food Assistance Program (Food Commodities)	10.569	Community Action Program Belknap-Merrimack Counties	Unknown	103
				<u>100,891</u>
WIC Grants to States (Infrastructure)	10.578	State of NH Dept. of Health & Human Services	010-090-5280000-102-800734	42,181
WIC Grants to States (Breastfeeding Peer Counseling Program)	10.578	State of NH Dept. of Health & Human Services	018-090-5280000-102-800734	13,787
				<u>\$ 55,968</u>
<b>Total U.S. Department of Agriculture</b>				<u>\$ 509,778</u>
<b>U.S. Department of Housing and Urban Development</b>				
Emergency Solutions Grant Program	14.231	State of NH, DHEH, Bureau of Homeless & Housing	05-85-88-858310-717800000-102-50731	\$ 238,745
Emergency Solutions Grant Program	14.231	State of NH, DHEH, Office of Human Services	010-042-7827-102-0731	117,877
Supportive Housing Program	14.235	State of NH, DHEH, Bureau of Homeless & Housing	05-85-88-858310-717800000-102-50731	281,048
Shelter Plus Care	14.238	State of NH, DHEH, Bureau of Homeless & Housing	05-85-88-858310-717800000-102-50731	272,181
Continuum of Care Program	14.287	State of NH, DHEH, Bureau of Homeless & Housing	05-85-88-858310-717800000-102-50731	173,579
				<u>\$ 1,085,181</u>
<b>Total U.S. Department of Housing and Urban Development</b>				<u>\$ 1,085,181</u>
<b>U.S. Department of Labor</b>				
WIA Cluster				
WIA Adult Program	17.258	Southern NH Services	Unknown	\$ 84,427
WIA Dislocated Worker Formula Grants	17.278	Southern NH Services	Unknown	35,084
				<u>\$ 99,511</u>
<b>Total U.S. Department of Labor/WIA Cluster</b>				<u>\$ 99,511</u>
<b>U.S. Department of Transportation Federal Transit Administration (FTA)</b>				
Formula Grants for Rural Areas	20.509	State of NH, Department of Transportation	04-88-98-864010-2918	\$ 221,486
Transit Services Program Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	State of NH, Department of Transportation	04-88-98-864010-2918	24,971
				<u>\$ 246,457</u>
<b>Total U.S. Department of Transportation Federal Transit Administration (FTA)</b>				<u>\$ 246,457</u>
<b>U.S. Department of Veterans Affairs</b>				
VA Supportive Services for Veterans Families Program	04.833	Harbor Health, Inc.	Unknown	\$ 280,943
				<u>\$ 280,943</u>
<b>Total U.S. Department of Veterans Affairs</b>				<u>\$ 280,943</u>
<b>U.S. Department of Energy</b>				
Weatherization Assistance for Low-Income Partners	01.042	State of NH, Office of Energy & Planning	01-02-024010-7700-074-800987	\$ 184,205
				<u>\$ 184,205</u>
<b>Total U.S. Department of Energy</b>				<u>\$ 184,205</u>
<b>U.S. Department of Health &amp; Human Services</b>				
Aging Cluster				
Special Programs for the Aging, Title II, Part B				
Grants for Supportive Services and Senior Centers	93.044	State of NH, Office of Energy & Planning	01-02-024010-7700-074-800987	\$ 5,400
Special Programs for the Aging, Title II, Part B				
Grants for Supportive Services and Senior Centers	93.044	State of NH, DHEH, Bureau of Elderly & Adult Services	05-85-48-481010-7872	43,144
Grants to States to Support Oral Health Worldwide Activities	93.236	State of NH, DHEH, Division of Family Assistance	Unknown	8,515
Drug-Free Communities Support Program Grants	93.276	Direct Funding	9795SP18677-08	111,378
Affordable Care Act (ACA) - Consumer Assistance Program Grants	93.519	Direct Funding	HCB/CJF1	8,793
TANF Cluster				
Temporary Assistance for Needy Families	93.558	Southern NH Services	Unknown	327,863
Low Income Home Energy Assistance (Fuel Assistance)	93.688	State of NH, Office of Energy & Planning	01-02-02-024010-7700000-800987	4,003,969
Low Income Home Energy Assistance (HEAP)	93.588	State of NH, Office of Energy & Planning	01-02-02-024010-7700000-800987	184,802
Low Income Home Energy Assistance (NHWP)	93.588	State of NH, Office of Energy & Planning	01-02-02-024010-7700000-800987	207,878
Community Services Block Grant	93.588	State of NH, DHEH, Div. of Family Assistance	800731	4,370,347
Head Start	93.690	Direct Funding	01CP8858	254,429
Block Grants for Prevention and Treatment of Substance Abuse	93.958	State of NH, DHEH, Bureau Drug and Alcohol Services	05-85-48-491510-28890000	2,201,837
				<u>25,813</u>
				<u>\$ 7,843,807</u>
<b>Total U.S. Department of Health &amp; Human Services</b>				<u>\$ 7,843,807</u>
<b>U.S. Department of Homeland Security</b>				
Emergency Food and Shelter National Board Program	97.024	State of NH, DHEH, Office of Human Services	Unknown	\$ 3,176
				<u>\$ 3,176</u>
<b>Total U.S. Department of Homeland Security</b>				<u>\$ 3,176</u>
<b>TOTAL</b>				<u>\$ 98,479,873</u>

See Notes to Schedule of Expenditures of Federal Awards

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MAY 31, 2018**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Southwestern Community Services, Inc. under programs of the federal government for the year ended May 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southwestern Community Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

Southwestern Community Services, Inc. has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4 FOOD DONATION**

Nonmonetary assistance is reported in the Schedule at the fair value of the commodities received and disbursed.

**NOTE 5 SUBRECIPIENTS**

Southwestern Community Services, Inc. had no subrecipients for the year ended May 31, 2018.

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Southwestern Community Services, Inc.  
Keene, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statement of financial position as of May 31, 2018, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related consolidated notes to the financial statements, and have issued our report thereon dated September 17, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Southwestern Community Services, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southwestern Community Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Southwestern Community Services, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during

our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Leone McDonnell & Roberts  
Professional Association*

September 17, 2018  
Wolfeboro, New Hampshire

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Southwestern Community Services, Inc.  
Keene, New Hampshire

**Report on Compliance for Each Major Federal Program**

We have audited Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southwestern Community Services, Inc.'s major federal programs for the year ended May 31, 2018. Southwestern Community Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Southwestern Community Services, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Southwestern Community Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Southwestern Community Services, Inc.'s compliance.

**Opinion on Each Major Federal Program**

In our opinion, Southwestern Community Services, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2018.

### Report on Internal Control Over Compliance

Management of Southwestern Community Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southwestern Community Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Southwestern Community Services, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Leon McDonnell & Roberts  
Professional Association*

September 17, 2018  
Wolfeboro, New Hampshire

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MAY 31, 2018**

**SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unmodified opinion on whether the consolidated financial statements of Southwestern Community Services, Inc. were prepared in accordance with GAAP.
2. No significant deficiencies disclosed during the audit of the consolidated financial statements are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the consolidated financial statements of Southwestern Community Services, Inc. which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for Southwestern Community Services, Inc. expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were: U.S. Department of Health and Human Services; Low-Income Home Energy Assistance, 93.568, and Head Start, 93.600, and U.S. Department of Agriculture; Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), 10.557.
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Southwestern Community Services, Inc. was determined to not be a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED MAY 31, 2017**

There were no findings or questioned costs that were required to be reported in the Schedule of Findings and Questioned Costs for the year ended May 31, 2017.

**Southwestern Community Services, Inc. Board of Directors - Composition - 2018 -**

**CHESHIRE COUNTY**

**SULLIVAN COUNTY**

**CONSTITUENT  
SECTOR**

**Beth Fox**  
Assistant City Manager/  
Human Resources Director  
City of Keene

**Mary Lou Huffling**  
Fall Mountain Emergency Food Shelf  
Alstead Friendly Meals

**Daniel Stewart**  
Head Start Policy Council  
Parent Representative

**Brigitte Proulx**  
Claremont Congress of Senior Citizens

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**PRIVATE  
SECTOR**

**Elaine Amer, Clerk/Treasurer**  
Amer Electric Company (*retired*)

**Anne Beattie**  
Newport Service Organization

**Kevin Watterson, Chair**  
Clarke Companies (*retired*)

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**PUBLIC  
SECTOR**

**Jay Kahn**  
State Senator, District 10

**Kerry Belknap Morris, M.Ed.**  
Early Childhood Education  
River Valley Community College

**David Edkins**  
Walpole, NH

**Derek Ferland**  
Sullivan County Manager

# John A. Manning

**Summary** Over 30 years of experience with non-profit organizations, as both an outside auditor and presently Chief Financial Officer of a large community action agency.

**Experience**

2014 Southwestern Community Services Inc.  
Keene, NH

**Chief Executive Officer**  
Responsible for overall supervision, management, monitoring and fiscal review of Community Action Agency social service programs providing services to low-income, elderly, and handicapped residents of Sullivan and Cheshire Counties, New Hampshire.

1990–2014 Southwestern Community Services Inc.  
Keene, NH

**Chief Financial Officer**  
Oversees all fiscal functions for a community action agency providing services to low and moderate income individuals. Programs include Head Start, Fuel Assistance, and multiple affordable housing projects. Supervises a staff of 7, with an agency budget of over \$ 13,000,000. Also oversees agency property management department, which manages over 300 units of affordable housing.

1985-1995 Keene State College Keene, NH

**Adjunct Professor**  
Taught evening accounting classes for their continuing education program.

1978-1990 John A. Manning, Keene, NH

**Certified Public Accountant**  
Provided public accounting services to small and medium sized clients, including multiple non-profit organizations. Performed certified audits on several clients, including Head Start and other non-profit clients.

1975-1978 Kostin and Co. CPA's West Hartford, Ct.

**Staff Accountant**  
Performed all aspects of public accounting for medium sized accounting firm. Audited large number of privately held and non-profit clients.

1971–1975 University of Mass. Amherst, Ma.  
B.S. Business Administration in Accounting

**Education** American Institute of Certified Public Accountants

**Organizations** NH Society of Certified Public Accountants



Margaret Freeman

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## Experience

2000 – Present

Southwestern Community Services Inc.  
Keene, NH

Chief Financial Officer (2014 – present)

Supervising the quality of accounting and financial reporting of SCS; a Community Action Agency. Total funding of \$18 million; federal, state and local funding sources. Primary responsibilities include overseeing the accounting functions, implementation and monitoring of internal controls, reporting financial position to the Board of Directors, preparation of the annual A-133 audit, member of agencies Senior Staff.

Fiscal Director (2000-2014)

Responsible to lead and manage the daily operations of the Fiscal Department of SCS. Primary duties include budget preparation and analysis, financial statement preparation and audit coordination.

1993 –2000

Emile J. Legere Management Corp  
Keene, NH

Accountant

Provided bookkeeping for real estate management/development corp. Managed 16 affordable housing properties. Responsible for cash management, general ledger, A/P, A/R, financial statement prep, and audit prep. Leasing Manager of large commercial/retail property responsible for lease management and marketing of over 30 retail spaces.

## Education

Leadership New Hampshire, Graduate 2011

Plymouth State University, Plymouth, NH  
M.B.A., 1999

Keene State College, Keene, NH

B.S., Management, 1991; concentration Mathematics and Computer Science

**Community Services Coordinator (1986 – 1996)**

Oversite of the operations within the agency's Multi-purpose centers.

Coordinator of the Summer Lunch and Summer Gardens programs.

Coordinator of the Temporary Emergency Food Assistance Program.

Coordinator of the Pre-retirement Counseling Program.

**Senior Secretary (1979 – 1986)**

Secretary and Receptionist for the main SCS office and SCS programs.

Supervisor of the assistant secretary.

Responsible for ordering and inventory of agency office supplies.

**Law Office of Attorney Donald E. Reid, Jr. (1978 – 1979)**

Legal secretary to Attorney Reid.

**Education**

Becker College, Worcester, MA

Associates of Science, Para-legal program (1978)

- High Honors and membership to Gamma Phi Sigma Honor Society

**Organizations**

Participation in various civic and professional organizations: local & statewide

**Summary** Thirty nine years working for Southwestern Community Services, Inc., a major provider of social services to the residents of Cheshire and Sullivan counties in New Hampshire.

**Chief Administrative Officer (2006 to present)**

Work directly with the CEO to ensure the agency is in compliance with the CSBG organizational standards and to characterize an effective and healthy agency while reflecting the vision and values of Community Action and the requirements of the CSBG Act.

Work directly with the CEO in support of the agency's management team and Board of Directors to implement the objectives of SCS's strategic plan.

Supervisor of the Human Resources Director and department providing guidance and support to ensure a positive, safe working environment that facilitates SCS employees to meet their job expectations.

Supervisor of the SCS Administrative Offices and personnel to ensure a professional, positive and efficient reception office operation and referral system, and ensure a productive agency environment.

Supervisor of Homeless and Housing Stabilization Services providing support of, assistance to, and recommendations for program operations.

Assistant to event coordinator for the Northern New England Community Action annual two and half day conference researching and bringing forth over a dozen training workshops: 2015 conference workshops included: ROMA training; Effective Data Collection and Documenting Outcomes; Board Chair and CEO Relationships; Super Circular – Auditing and Accounting Issues Relating to the Uniform Guidance and Leading Change to reference a few.

**Administrative Assistant (1996 – 2006)**

Oversite and management of the Keene and Claremont secretarial and reception offices.

Work directly with the CEO and program directors to coordinate management meetings; baord provide administrative supports to SCS programs/program directors.

Development, coordinate and oversight of the grants database, Staff Development program; and SCS Wellness program.

Coordinate Monadnock United Way campaign.

**SARAH NEUTRA, CPA, MBA**

- Experience**
- 2010-Present**     **WHITE BARN CPAS, PLLC**     **MARLBOROUGH, NH**  
Partner and Principal Owner
- Launched start-up accounting firm, adding over 60 client families, including 25 small businesses in a three year period. Pursued endeavor part-time due to family commitments.
  - Managed major aspects of business including marketing, operations, research and tax preparation.
- 2007-2010**     **ANDERSON & GILBERT, INC**     **KEENE, NH**  
Certified Public Accountant
- Performed accounting and payroll services for small businesses.
  - Prepared taxes for 100+ individuals, small businesses and non-profit organizations.
- 2003-2006**     **PRICEWATERHOUSECOOPERS, LLP**     **BOSTON, MA**  
Senior Associate for Assurance and Business Advisory Services
- Provided audit services to clients, mainly in the non-profit and higher education sectors.
  - Conducted governmental compliance audits for several not-for-profit organizations.
  - Supervised staff and served as main client contact during audit engagements.
- 1999-2001**     **PEACE CORPS**     **MOROCCO, NORTH AFRICA**  
Maternal-Child Health Volunteer
- Worked in a remote health clinic in southeastern Morocco; conducted hundreds of health lessons and administered polio vaccine to over 1,000 children.
  - Represented Peace Corps Morocco at international United Nations Conference: "Celebrating the Year of the Volunteer." One of two volunteers chosen to attend (from a pool of over 140).
- 1996-1999**     **KEY EDUCATION RESOURCES**     **BOSTON, MA**  
Sales Representative
- Managed national sales territory for education financing division of KeyBank.
  - Received Outstanding Sales Achievement Award in 1998.
- 1995-1996**     **GERBER INDUSTRIES**     **SCOTTSDALE, AZ**  
Customer Service Representative
- Launched mid-western sales region for promotional product supplier.
  - Increased order count by more than 70% during first two quarters of 1996.
- Education**
- May 2003**     **BOSTON COLLEGE**     **CHESTNUT HILL, MA**  
**CARROLL GRADUATE SCHOOL OF MANAGEMENT**  
Master of Business Administration degree with a concentration in Accounting. Creator and Editor of *The B.E.A.T.* (Bulletins in Education and Assistive Technology), a newsletter sponsored by Boston College's Computer Science Department.
- May 1994**     **UNIVERSITY OF VERMONT**     **BURLINGTON, VT**  
Bachelor of Arts degree. Major: Studio Art. Honors: Deans List, 2 semesters.
- Certifications**     Certified Public Accountant (CPA), Certified Instructor granted by National Association of Tax Professionals (NATP).
- Community Service**     Treasurer, Marlborough Community House (2010-Present); Global Volunteer Network raised \$2,000 for an AIDS orphanage in Uganda (2005); PwC Junior Achievement (2005); Peace Corps (1999-2001); Friends of the Boston Public Library (1997-1999); Habitat for Humanity Speakers' Bureau (1995-1996); Prison Project (1993-1994).

Contractor Name: Southwestern Community Services, Inc.

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
John Manning	CEO	\$127608	0	0
Meg Freeman	CFO	\$89502	0	0
Tina Roy	CAO	\$69638	100%	\$69638
Sarah Neutra	Fiscal Director	\$63648	90%	\$57283

Subject: Community Services Block Grant (CSBG)/SS-2019-BHS-02-COMMU-05

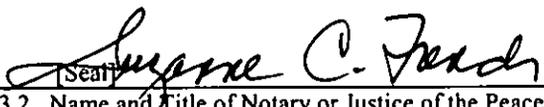
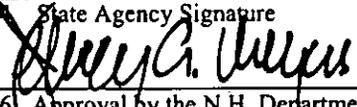
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Tri-County Community Action Program		1.4 Contractor Address 30 Exchange Street PO Box 367 Berlin, NH 03670	
1.5 Contractor Phone Number 603-752-7001	1.6 Account Number 05-095-045-450010-71480000-102-500731-45012170	1.7 Completion Date September 30, 2019	1.8 Price Limitation \$775,362
1.9 Contracting Officer for State Agency Nathan D. White, Director Bureau of Contracts and Procurement		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Jeanne Robillard, CEO	
1.13 Acknowledgement: State of _____, County of _____  On _____, 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 he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace 			
1.13.2 Name and Title of Notary or Justice of the Peace Suzanne C. French, Notary			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Jeffrey A. Heaps, Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: _____ On: _____			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			



Subject: Community Services Block Grant (CSBG)/SS-2019-BHS-02-COMMU-05

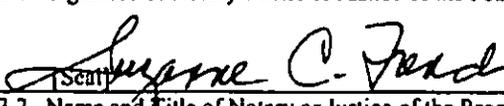
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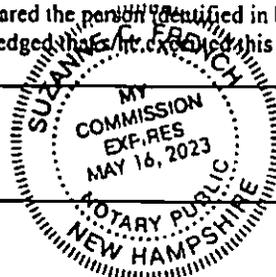
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<b>1.3 Contractor Name</b> Tri-County Community Action Program		<b>1.4 Contractor Address</b> 30 Exchange Street PO Box 367 Berlin, NH 03670	
<b>1.5 Contractor Phone Number</b> 603-752-7001	<b>1.6 Account Number</b> 05-095-045-450010-71480000-102-500731-45012170	<b>1.7 Completion Date</b> September 30, 2019	<b>1.8 Price Limitation</b> \$775,362
<b>1.9 Contracting Officer for State Agency</b> Nathan D. White, Director Bureau of Contracts and Procurement		<b>1.10 State Agency Telephone Number</b> 603-271-9631	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> Leanne Robillard, CEO	
<b>1.13 Acknowledgement: State of <del>New Hampshire</del>, County of COOS</b>  On 12/14/18, 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 he executed this document in the capacity indicated in block 1.12.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b> 			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b> Suzanne C. French, Notary			
<b>1.14 State Agency Signature</b>  Date:		<b>1.15 Name and Title of State Agency Signatory</b>	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b>  By: _____ Director, On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable)</b>  By: _____ On: _____			
<b>1.18 Approval by the Governor and Executive Council (if applicable)</b>  By: _____ On: _____			



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

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**

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

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

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

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

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

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

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

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

**7. PERSONNEL.**

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

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

Agreement. This provision shall survive termination of this Agreement.

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

#### 8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

#### 9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

#### 14. INSURANCE.

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

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

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

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

Contractor Initials

Date *SK*  
*2/14/16*

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

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

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

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

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

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

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

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

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

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



Exhibit A

## Scope of Services

### 1. Provisions Applicable to All Services

- 1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. In accordance with the provisions of The Community Services Block Grant Act (42 U.S.C. et seq) as amended by Public Law 105-285 of October 27, 1998, also known as the Community Opportunities Accountability, Training and Educational Act of 1998 or the Coats Human Services Reauthorization Act of 1998; and any amendments thereto, the Contractor agrees to deliver Community Services to low-income individuals at or below 125 percent of the poverty income guidelines.
- 1.4. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 biennia.
- 1.5. For the purposes of this Agreement, the Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.0. et seq.

### 2. Scope of Services

- 2.1. The Contractor shall remain a designated Community Services Block Grant (CSBG) eligible entity by conforming to the requirements of the Acts referred to in Section 1 and any amendments thereto, which includes but is not limited to:
  - 2.1.1. Providing an annual community action plan, which shall describe:
    - 2.1.1.1. The service delivery system;
    - 2.1.1.2. Linkages to fill identified gaps; and
    - 2.1.1.3. Coordination with other public and private resources, and innovative initiatives.
  - 2.1.2. Providing of an annual community-needs assessment;
  - 2.1.3. Providing of an independent annual "Single Audit Act" audit;



Exhibit A

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- 2.1.4. Participating in an annual performance measure system via the Annual Report;
  - 2.1.5. Participating in the Organizational Performance Standards;
  - 2.1.6. Administering CSBG through a tripartite board that participates in the development, planning, implementation, and evaluation of the program;
  - 2.1.7. Ensuring that cost and accounting standards of the Office of Management and Budget are in effect; and
  - 2.1.8. Informing custodial parents in single-parent families about child support services and refer eligible parents to child support offices.
- 2.2. The Contractor shall provide, on an emergency basis, services to counteract conditions of starvation and malnutrition.
- 2.3. The Contractor shall coordinate, establish linkages and form partnerships with governmental as well as other social services and antipoverty programs.

*JK*  
12/14/18



Exhibit B

**Method and Conditions Precedent to Payment**

1. The State shall pay the Contractor an amount not to exceed the Form P-37, General Provisions, Block 1.8, Price Limitation, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. This Agreement is funded with funds from the Catalog of Federal Domestic Assistance, CFDA #93.569, Community Services Block Grant, Department of Health and Human Services, Administration for Children and Families.
3. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.
4. Payment for said services shall be made monthly as follows:
  - 4.1. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement.
  - 4.2. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month.
  - 4.3. Invoices must be completed, signed, dated and returned to the Department in order to initiate payment. The Contractor will keep detailed records of their activities related to DHHS-funded programs and services.
  - 4.4. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.
  - 4.5. Invoices must be submitted to:

CSBG Coordinator  
Department of Health and Human Services  
Bureau of Housing Supports  
129 Pleasant Street  
Concord, NH 03301
  - 4.6. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.
5. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule, or regulation applicable to the services provided, or if the said services have not been completed in accordance with the terms and conditions of this Agreement.

*JH*  
12/14/18



**SPECIAL PROVISIONS**

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

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



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

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

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

New Hampshire Department of Health and Human Services  
Exhibit C



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

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



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

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

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

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

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

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

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

New Hampshire Department of Health and Human Services  
Exhibit C



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

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

**20. Contract Definitions:**

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

SK  
12/14/18



**REVISIONS TO GENERAL PROVISIONS**

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
  4. **CONDITIONAL NATURE OF AGREEMENT.**  
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
  
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
  - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
  - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
  - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
  - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
  - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
  
3. **Renewal:**  
The Department reserves the right to extend this Agreement for up to three (3) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council.

*SK*  
10/14/16



**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

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

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

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

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

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

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

New Hampshire Department of Health and Human Services  
Exhibit D



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

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

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

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

Contractor Name:

12/14/18  
Date

[Signature]  
Name:  
Title: CEO



**CERTIFICATION REGARDING LOBBYING**

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

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

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

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

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

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

Contractor Name:

12/14/18  
Date

[Signature]  
Name:  
Title:



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

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

**INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

*[Handwritten Signature]*  
Date 12/14/18



information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

**PRIMARY COVERED TRANSACTIONS**

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

**LOWER TIER COVERED TRANSACTIONS**

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
  - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
  - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name:

12/14/18  
Date

[Signature]  
Name:  
Title:

Contractor Initials JLL  
Date 12/14/18



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

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

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

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

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

Exhibit G

Contractor Initials

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

12/14/18

New Hampshire Department of Health and Human Services  
Exhibit G



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

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

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

Contractor Name:

12/14/18  
Date

[Signature]  
Name:  
Title: CEO

Exhibit G

Contractor Initials

[Signature]

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

Date

12/14/18



**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

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

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name:

12/14/18  
Date

[Signature]  
Name:  
Title: CEO



Exhibit I

**HEALTH INSURANCE PORTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

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

**(1) Definitions.**

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



Exhibit I

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

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

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



Exhibit I

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

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

**(3) Obligations and Activities of Business Associate.**

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.

- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:

- o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- o The unauthorized person used the protected health information or to whom the disclosure was made;
- o Whether the protected health information was actually acquired or viewed
- o The extent to which the risk to the protected health information has been mitigated.

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

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



Exhibit I

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

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



Exhibit I

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

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

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

**(6) Miscellaneous**

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



Exhibit I

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

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

Department of Health and Human Services  
The State

*Jeffrey A. Meyers*  
Signature of Authorized Representative

*Jeffrey A. Meyers*  
Name of Authorized Representative

*Commissioner*  
Title of Authorized Representative

*1-15-19*  
Date

*Tri-County Community Action Programs, Inc*  
Name of the Contractor

*[Signature]*  
Signature of Authorized Representative

\_\_\_\_\_  
Name of Authorized Representative

\_\_\_\_\_  
Title of Authorized Representative

*12/14/18*  
Date



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

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

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

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

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

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

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

Contractor Name:

12/14/18  
Date

[Signature]  
Name:  
Title: CEO

Contractor Initials [Signature]  
Date 12/14/18



**FORM A**

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

1. The DUNS number for your entity is: 023975708
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO                       YES

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

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

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

NO                       YES

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

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

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

Name: _____	Amount: _____



A. Definitions

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

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

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

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

*[Handwritten Signature]*  
12/14/18



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

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

## I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

### A. Business Use and Disclosure of Confidential Information.

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



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

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

## II. METHODS OF SECURE TRANSMISSION OF DATA

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

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

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

### III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

#### A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

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whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

**B. Disposition**

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

**IV. PROCEDURES FOR SECURITY**

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
  1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
  2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

Handwritten signature of the contractor.

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Exhibit K

DHHS Information Security Requirements

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

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the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in this section, of any security breach within two (2) hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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12/14/18



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

#### V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within two (2) hours of the time that the Contractor learns of their occurrence.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

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5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

- A. DHHS contact for Data Management or Data Exchange issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- B. DHHS contacts for Privacy issues:

DHHSPrivacyOfficer@dhhs.nh.gov

- C. DHHS contact for Information Security issues:

DHHSInformationSecurityOffice@dhhs.nh.gov

- D. DHHS contact for Breach notifications:

DHHSInformationSecurityOffice@dhhs.nh.gov

DHHSPrivacy.Officer@dhhs.nh.gov

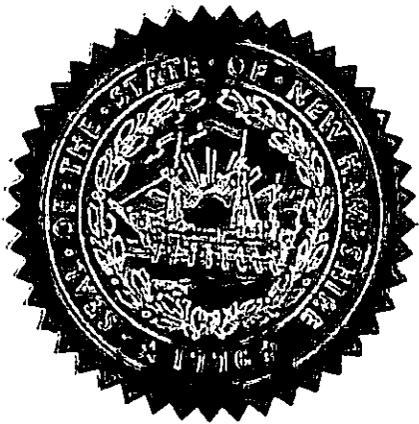
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12/14/18

# 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 TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. (TRI-COUNTY CAP) is a New Hampshire nonprofit corporation formed May 18, 1965. 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 7<sup>th</sup> day of April A.D. 2016

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

I, Gary Coulombe, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Tri-County CAP  
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on 12-14-18:  
(Date)

**RESOLVED:** That the Chief Executive Officer  
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 14<sup>th</sup> day of December, 2018.  
(Date Contract Signed)

4. Jeanne Robillard is the duly elected Chief Executive Officer  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

[Signature]  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE  
County of Coos

The forgoing instrument was acknowledged before me this 14<sup>th</sup> day of Dec., 2018.

By Gary Coulombe  
(Name of Elected Officer of the Agency)

[Signature]  
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 5.16.23

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**Board Resolution 19FY18: Resolution of the Corporation**

**Authority to Sign**

The Board of Directors of Tri-County Community Action Program, Inc. (the "Corporation") takes the following action:

**Resolved,**

That the Tri-County Community Action Program, Inc. Chief Executive Officer (CEO), Jeanne Robillard, Chief Operations Officer Regan L. Pride and Randall Pilote, Chief Financial Officer (CFO) are hereby authorized on behalf of this Corporation to enter into contracts with the Federal Government, State of New Hampshire, and any other parties as deemed necessary and to execute any and all documents, agreements and other instruments and amendments, revisions or modifications thereto, as may be deemed necessary, desirable or appropriate for the Corporation; this authorization being in force and effective until June 24, 2019.

This resolution is made with the understanding that any new undertakings or commitments have a material impact on the purpose of our organization will be preceded by Board approval.

Approved by the Board of Directors on June 26, 2016

By: Sandy Alonzo  
Name: Sandy Alonzo  
Title: Board Chair

By: G. Coulombe  
Name: Gary Coulombe  
Title: Board Secretary



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/29/2018

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).

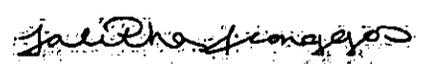
PRODUCER FIAI/Cross Insurance 1100 Elm Street  Manchester NH 03101	CONTACT NAME: Karen Shaughnessy	
	PHONE (A/C No. Ext): (603) 669-3218 FAX (A/C No.): (603) 645-4331 E-MAIL ADDRESS: kshaughnessy@crossagency.com	
INSURED Tri-County Community Action Program, Inc 30 Exchange Street  Berlin NH 03570	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Technology Ins. Co.	42376
	INSURER B: Wasco Ins. Co.	25011
	INSURER C: Granite State Health Care and Human	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES CERTIFICATE NUMBER: 18-19 All lines w/prof REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL 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  GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			TPP1224751	7/1/2018	7/1/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 Crime/Employee Dishonesty \$ 600,000
A	AUTOMOBILE LIABILITY <input checked="" 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			TPP1224751	7/1/2018	7/1/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Underinsured motorist \$ 1,000,000
B	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			WOM1565713	7/1/2018	7/1/2019	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
C	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	HCHS20180000045 (3a.) NH; Ruby Urban; Karen Matthews & William Hatch excluded	7/1/2018	7/1/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Professional Liability			TPP1224751	7/1/2018	7/1/2019	Per Occurrence \$1,000,000 Aggregate \$3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

<b>CERTIFICATE HOLDER</b>  DHHS, State of NH Contracts & Procurement 129 Pleasant Street Concord, NH 03301	<b>CANCELLATION</b>  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  T Franggos/JSC 

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## **MISSION STATEMENT**

**TRI-COUNTY COMMUNITY ACTION PROGRAM, Inc. is a private, non-profit 501(C) 3 corporation that is dedicated to improving the lives and well being of New Hampshire's people and communities. Formed on May 18, 1965, we provide opportunities and support for people to learn and grow in self-sufficiency and get involved in helping their neighbors and improving the conditions in their communities.**

***TRI-COUNTY COMMUNITY ACTION PROGRAM, Inc.  
...Helping people, changing lives.***

*Financial Statements*

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**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.  
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED  
JUNE 30, 2018 AND 2017  
AND  
INDEPENDENT AUDITORS' REPORT**

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**TABLE OF CONTENTS**

	<b><u>Page(s)</u></b>
Independent Auditors' Report	1 - 2
Consolidated Financial Statements:	
Statements of Financial Position	3
Statement of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6 - 7
Notes to Financial Statements	8 - 28
Supplementary Information:	
Schedule of Expenditures of Federal Awards	29 - 31
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	32 - 33
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	34 - 35
Schedule of Findings and Questioned Costs	36

To the Board of Directors of  
Tri-County Community Action Program, Inc.  
Berlin, New Hampshire.

**Leone,  
McDonnell  
& Roberts**  
PROFESSIONAL ASSOCIATION  
CERTIFIED PUBLIC ACCOUNTANTS  
WOLFEBORO • NORTH CONWAY  
DOVER • CONCORD  
STRATHAM

## **INDEPENDENT AUDITORS' REPORT**

### ***Report on the Financial Statements***

We have audited the accompanying consolidated financial statements of Tri-County Community Action Program, Inc. and Affiliate (a New Hampshire nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of cash flows, functional expenses, and the related consolidated statement of activities for the year ended June 30, 2018, for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tri-County Community Action Program, Inc. and Affiliate as of June 30, 2018 and 2017, and its consolidated cash flows for the years then ended, and the changes in its net assets for the year ended June 30, 2018, in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Tri-County Community Action Program, Inc. and Affiliate's 2017 consolidated financial statements, and we expressed an unmodified audit opinion on those consolidated financial statements in our report dated November 10, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

### **Other Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2018, on our consideration of Tri-County Community Action Program, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tri-County Community Action Program, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tri-County Community Action Program, Inc.'s internal control over financial reporting and compliance.

*Leone McDonnell & Roberts*  
*Professional Association*

October 19, 2018  
North Conway, New Hampshire

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,329,038	\$ 505,700
Accounts receivable	1,156,657	1,326,994
Pledges receivable	212,207	205,804
Inventories	87,569	65,641
Prepaid expenses	<u>25,640</u>	<u>45,345</u>
Total current assets	<u>2,811,111</u>	<u>2,149,484</u>
<b>PROPERTY</b>		
Property and equipment	12,812,689	13,544,469
Less accumulated depreciation	<u>(5,203,324)</u>	<u>(5,317,470)</u>
Property, net	<u>7,609,365</u>	<u>8,226,999</u>
<b>OTHER ASSETS</b>		
Restricted cash	706,765	942,687
Building refinance costs, net	<u>12,705</u>	<u>13,591</u>
Total other assets	<u>719,470</u>	<u>956,278</u>
<b>TOTAL ASSETS</b>	<u>\$ 11,139,946</u>	<u>\$ 11,332,761</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Demand note payable	\$ 516,022	\$ 671,434
Current portion of long term debt	142,733	587,809
Current portion of capital lease obligations	4,445	4,057
Accounts payable	237,276	518,447
Accrued compensated absences	203,121	242,545
Accrued salaries	187,508	196,882
Accrued expenses	131,888	107,627
Refundable advances	191,069	197,548
Other liabilities	<u>387,168</u>	<u>645,311</u>
Total current liabilities	<u>2,001,230</u>	<u>3,171,660</u>
<b>LONG TERM DEBT</b>		
Long term debt, net of current portion	5,386,642	5,254,436
Capital lease obligations, net of current portion	<u>8,226</u>	<u>12,670</u>
Total liabilities	<u>7,396,098</u>	<u>8,438,766</u>
<b>NET ASSETS</b>		
Unrestricted	2,926,057	2,191,395
Temporarily restricted	<u>817,791</u>	<u>702,600</u>
Total net assets	<u>3,743,848</u>	<u>2,893,995</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 11,139,946</u>	<u>\$ 11,332,761</u>

See Notes to Consolidated Financial Statements

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2018 Total</u>	<u>2017 Total</u>
<b>REVENUES AND OTHER SUPPORT</b>				
Grant and contracts	\$ 14,097,629	\$ 211,457	\$ 14,309,086	\$ 12,644,557
Program funding	1,259,037	-	1,259,037	1,708,487
Utility programs	1,079,361	-	1,079,361	972,359
In-kind contributions	351,187	-	351,187	436,874
Contributions	116,928	278,297	395,225	497,735
Fundraising	59,536	-	59,536	42,421
Rental income	679,112	-	679,112	847,380
Interest income	348	-	348	270
Gain (loss) on disposal of property	48,487	-	48,487	(16,685)
Forgiveness of debt	-	-	-	25,912
Other revenue	81,938	-	81,938	4,461
	<u>17,773,563</u>	<u>489,754</u>	<u>18,263,317</u>	<u>17,163,771</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>374,563</u>	<u>(374,563)</u>	<u>-</u>	<u>-</u>
Total revenues, other support, and net assets released from restrictions	<u>18,148,126</u>	<u>115,191</u>	<u>18,263,317</u>	<u>17,163,771</u>
<b>FUNCTIONAL EXPENSES</b>				
Program Services:				
Agency Fund	922,701	-	922,701	825,517
Head Start	2,481,916	-	2,481,916	2,312,865
Guardianship	780,009	-	780,009	735,925
Transportation	879,729	-	879,729	1,063,996
Volunteer	122,941	-	122,941	121,543
Workforce Development	394,252	-	394,252	402,576
Alcohol and Other Drugs	444,581	-	444,581	1,185,000
Carroll County Dental	642,637	-	642,637	542,920
Support Center	276,172	-	276,172	265,052
Homeless	577,783	-	577,783	554,509
Energy and Community Development	7,480,943	-	7,480,943	6,276,570
Elder	1,142,818	-	1,142,818	1,026,070
Housing Services	176,511	-	176,511	167,528
	<u>16,302,993</u>	<u>-</u>	<u>16,302,993</u>	<u>15,459,871</u>
Supporting Activities:				
General and administrative	1,102,448	-	1,102,448	1,213,425
Fundraising	8,023	-	8,023	4,873
	<u>1,110,471</u>	<u>-</u>	<u>1,110,471</u>	<u>1,218,298</u>
Total supporting activities	<u>1,110,471</u>	<u>-</u>	<u>1,110,471</u>	<u>1,218,298</u>
Total functional expenses	<u>17,413,464</u>	<u>-</u>	<u>17,413,464</u>	<u>16,678,169</u>
<b>CHANGE IN NET ASSETS</b>	734,662	115,191	849,853	485,602
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>2,191,395</u>	<u>702,600</u>	<u>2,893,995</u>	<u>2,408,393</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 2,926,057</u>	<u>\$ 817,791</u>	<u>\$ 3,743,848</u>	<u>\$ 2,893,995</u>

See Notes to Consolidated Financial Statements

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 849,853	\$ 485,602
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	464,370	492,141
Donation of property and equipment	-	(224,685)
Loss on disposal of property	(48,487)	16,685
Forgiveness of debt:	-	(25,912)
(Increase) decrease in assets:		
Accounts receivable	170,337	(78,676)
Pledges receivable	(6,403)	23,615
Inventories	(21,928)	23,239
Prepaid expenses	19,705	(4,353)
Restricted cash	235,922	(154,926)
(Decrease) increase in liabilities:		
Accounts payable	(281,171)	(157,079)
Accrued compensated absences	(39,424)	(51,698)
Accrued salaries	(9,374)	20,697
Accrued expenses	24,261	13,863
Refundable advances	(6,479)	(35,781)
Other liabilities	(258,143)	134,401
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,093,039</u>	<u>477,133</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property	278,972	26,750
Purchases of property and equipment	<u>(141,335)</u>	<u>(181,113)</u>
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<u>137,637</u>	<u>(154,363)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayment on demand note payable	(90,412)	(192,432)
Repayment of long-term debt	(312,870)	(210,808)
Repayment of capital lease obligations	<u>(4,056)</u>	<u>(3,636)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(407,338)</u>	<u>(406,876)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	823,338	(84,106)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>505,700</u>	<u>589,806</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,329,038</u>	<u>\$ 505,700</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for:		
Interest	<u>\$ 182,514</u>	<u>\$ 208,781</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Purchase of property and equipment financed by long-term debt	<u>\$ -</u>	<u>\$ 14,867</u>
Purchase of property and equipment financed by capital lease	<u>\$ -</u>	<u>\$ 5,889</u>
Fixed assets donated	<u>\$ 18,830</u>	<u>\$ -</u>

See Notes to Consolidated Financial Statements

TRIM-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019

	Agency Fund	Food Bank	OpenHearth	Transconnection	Volunteer	Workforce Development	Alcohol and Other Drugs	Carroll County Dental	Support Center	Humana	Energy and Environment	Eldis	Housing Services	Total	General & Administrative	Capitalization	Total
<b>Direct Expenses</b>																	
Payroll	\$ 99,753	\$ 1,250,882	\$ 511,489	\$ 443,893	\$ 88,707	\$ 217,853	\$ 224,378	\$ 330,478	\$ 181,806	\$ 307,578	\$ 1,123,334	\$ 482,842	\$ 11,487	\$ 5,214,848	\$ 670,592	\$ -	\$ 6,884,841
Payroll taxes and benefits	23,319	339,081	128,443	90,079	17,100	82,347	41,910	82,705	41,809	85,298	298,144	162,104	-	1,250,318	184,414	-	1,434,732
Assistance to clients	74,171	-	-	-	-	9,018	-	-	5,448	87,252	5,380,849	-	-	-	-	-	6,528,648
Consumable supplies	1,723	240,844	9,954	11,274	580	4,157	19,410	40,917	8,328	8,344	314,482	280,137	2,862	949,839	11,219	-	981,098
Space costs and rentals	21,013	184,435	38,225	14,526	3,884	90,102	8,830	8,325	4,742	28,411	132,185	54,004	-	578,842	72,385	-	650,927
Depreciation and amortization expense	323,518	1,858	-	12,871	-	-	8,387	-	9,895	1,008	3,743	-	-	993	87,389	-	464,370
In-kind expended	12,500	208,025	-	32,001	22,014	-	-	-	9,918	23,380	-	-	-	80,240	-	-	351,188
Consultants and contractors	13,519	28,930	3,288	7,531	-	-	101,287	53,234	-	10,000	17,300	78,837	-	315,842	15,862	-	331,704
Utilities	133,551	32,586	17,418	13,952	1,140	8,485	3,945	10,858	18,783	18,324	24,798	21,848	21,282	328,839	3,589	-	330,248
Travel and meetings	1,093	93,228	27,257	109,553	4,314	13,628	4,478	2,048	6,181	19,027	13,234	28,854	915	278,787	9,478	-	288,257
Other direct program costs	44,933	8,716	11,419	6,742	4,570	745	31,286	7,421	1,583	1,519	37,843	14,108	21,364	192,848	23,234	8,023	228,108
Fiscal and administrative	243	28,305	7,732	1,555	155	210	728	6,285	1,238	5,508	23,888	16,334	30	94,548	108,339	-	202,908
Building and grounds maintenance	62,822	62,508	1,945	1,940	-	15	987	6,882	9,280	172	86	10,328	35,850	198,381	180	-	198,561
Interest expense	128,880	305	946	1,000	3	-	2,638	38,349	172	144	-	128	-	182,514	1,241	-	183,755
Vehicle expense	4,282	98	-	107,885	-	-	19	-	86	638	51,843	-	-	164,981	-	-	164,981
Insurance	65,854	14,058	854	21,511	834	-	4,380	2,558	3,808	4,537	20,460	-	15,737	154,315	5,085	-	159,400
Maintenance of equipment and rental	-	62,124	3,200	1,818	30	468	-	36,280	3,008	10,683	8,325	13,541	-	127,335	14,018	-	141,351
Feed fees	-	85	-	-	-	124	-	1,421	-	-	921	1,721	-	4,312	-	-	4,312
<b>Total Direct Expenses</b>	<b>1,015,074</b>	<b>2,481,916</b>	<b>780,009</b>	<b>878,729</b>	<b>122,941</b>	<b>394,252</b>	<b>444,381</b>	<b>842,837</b>	<b>278,172</b>	<b>577,783</b>	<b>7,480,943</b>	<b>1,142,818</b>	<b>178,511</b>	<b>16,395,368</b>	<b>1,102,448</b>	<b>8,023</b>	<b>17,505,837</b>
<b>Indirect Expenses</b>																	
Indirect costs	86,830	249,080	84,249	97,085	11,921	35,834	49,486	63,384	30,021	64,001	222,084	117,223	-	1,102,448	(1,102,448)	-	-
<b>Capitalized Expenses</b>																	
Less capitalization of assets	(92,373)	-	-	-	-	-	-	-	-	-	-	-	-	(92,373)	-	-	(92,373)
<b>Total Direct &amp; Indirect Expenses</b>	<b>\$ 1,009,531</b>	<b>\$ 2,730,996</b>	<b>\$ 864,258</b>	<b>\$ 975,814</b>	<b>\$ 134,862</b>	<b>\$ 430,186</b>	<b>\$ 494,047</b>	<b>\$ 708,001</b>	<b>\$ 308,193</b>	<b>\$ 631,834</b>	<b>\$ 7,703,027</b>	<b>\$ 1,260,041</b>	<b>\$ 178,511</b>	<b>\$ 17,405,441</b>	<b>\$ -</b>	<b>\$ 8,023</b>	<b>\$ 17,413,464</b>

See Notes to Consolidated Financial Statements

TRICOUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2017

	Agency Fund	Food Bank	Quadrangle	Transportation	Volunteer	Workforce Development	Alcohol and Other Drugs	Carroll County Dental	Support Center	Housing	Energy & Development	River	Housing Services	Total	General & Administrative	Fundraising	Total
<b>Direct Expenses</b>																	
Payroll	\$ 104,099	\$ 1,122,988	\$ 500,276	\$ 499,500	\$ 57,925	\$ 178,248	\$ 748,488	\$ 328,917	\$ 153,084	\$ 285,300	\$ 1,005,420	\$ 427,873	\$ 11,851	\$ 5,369,959	\$ 638,847	\$ -	\$ 6,028,806
Payroll taxes and benefits	19,111	307,007	129,564	97,125	13,193	45,427	188,112	88,533	40,788	72,523	290,298	94,181	-	1,247,862	163,870	-	1,513,672
Assistance to clients	1,078	-	-	-	-	53,724	-	-	1,511	57,838	4,253,457	-	-	4,377,437	-	-	4,377,437
Consumable supplies	14,973	178,067	8,228	9,607	1,182	2,898	73,307	40,430	6,540	6,134	274,747	373,838	13,528	902,886	11,883	-	913,979
Space costs and rentals	1,984	167,816	31,905	13,800	4,774	95,819	30,358	-	-	33,536	154,444	56,494	-	581,890	228,794	-	810,684
Depreciation and amortization expense	179,148	31,308	-	123,747	-	-	24,133	32,542	10,025	1,732	21,465	82	87,369	492,141	-	-	492,141
In-kind expended	12,850	308,258	-	32,870	38,413	-	-	-	7,877	20,588	-	-	19,017	436,874	-	-	436,874
Utilities	128,852	20,225	14,878	13,335	1,777	-7,052	33,880	9,953	21,082	21,383	28,625	18,473	21,855	348,520	3,750	-	344,270
Travel and meetings	802	54,129	25,587	97,127	2,856	18,927	-	12,647	2,721	4,023	14,991	10,889	23,728	268,523	7,170	-	275,699
Insurance	80,983	20,168	943	38,222	889	-	16,806	2,472	8,484	6,721	31,683	-	14,351	228,823	6,178	-	232,797
Other direct program costs	45,803	6,279	8,991	21,573	253	1,526	(13,937)	4,857	867	1,838	110,351	6,378	6,787	203,284	22,788	4,873	231,068
Interest expense	144,051	46	1,830	3,820	42	-	8,791	37,145	484	1,072	12,687	583	-	208,781	4,870	-	213,651
Consultants and contractors	3,473	38,728	4,482	12,918	-	-	33,896	3,388	-	10,000	8,898	73,883	-	188,347	11,887	-	202,844
Building and grounds maintenance	81,132	32,150	-	1,835	-	863	7,820	1,420	11,230	7,990	999	12,478	28,002	188,279	1,705	-	187,985
Fiscal and administrative	808	24,572	8,142	3,732	730	192	8,544	3,891	1,435	1,138	38,910	3,297	-	83,207	82,714	-	175,921
Vehicle expense	7,455	39	-	130,823	-	-	1,294	-	-	321	25,671	-	-	185,883	-	-	185,883
Maintenance of equipment and rental	(10,916)	2,907	1,261	7,404	17	-	4,951	10,850	944	1,435	7,220	10,845	-	37,008	28,150	-	65,158
Food fees	-	-	-	-	-	-	-	-	3	-	-	1,488	-	1,492	-	-	1,492
<b>Total Direct Expenses</b>	<b>825,517</b>	<b>2,312,865</b>	<b>735,925</b>	<b>1,083,998</b>	<b>121,543</b>	<b>402,578</b>	<b>1,185,000</b>	<b>542,920</b>	<b>265,082</b>	<b>554,509</b>	<b>6,278,570</b>	<b>1,628,070</b>	<b>167,528</b>	<b>15,439,871</b>	<b>1,213,425</b>	<b>4,873</b>	<b>16,678,169</b>
<b>Indirect Expenses</b>																	
Indirect costs	78,864	251,442	89,711	112,810	10,788	33,919	142,508	63,898	32,038	87,899	220,982	119,278	-	1,213,425	(1,213,425)	-	-
<b>Total Direct &amp; Indirect expenses</b>	<b>\$ 904,321</b>	<b>\$ 2,564,107</b>	<b>\$ 825,636</b>	<b>\$ 1,178,808</b>	<b>\$ 132,309</b>	<b>\$ 436,495</b>	<b>\$ 1,307,508</b>	<b>\$ 606,808</b>	<b>\$ 297,090</b>	<b>\$ 612,208</b>	<b>\$ 6,497,532</b>	<b>\$ 1,747,348</b>	<b>\$ 167,528</b>	<b>\$ 16,673,296</b>	<b>\$ -</b>	<b>\$ 4,873</b>	<b>\$ 16,678,169</b>

See Notes to Consolidated Financial Statements

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Principles of Consolidation**

The consolidated financial statements include the accounts of Tri-County Community Action Program, Inc. and its affiliate, Cornerstone Housing North, Inc. The two organizations are consolidated because Tri-County Community Action Program, Inc. controls 100% of the voting power of Cornerstone Housing North, Inc. All significant intercompany items and transactions have been eliminated from the basic financial statements. Tri-County Community Action Program, Inc. (the Organization) is a New Hampshire non-profit corporation that operates a wide variety of community service programs which are funded primarily through grants or contracts from various federal, state, and local agencies. Cornerstone Housing North, Inc. (a New Hampshire nonprofit corporation) was incorporated under the laws of the State of New Hampshire for the acquisition, construction and operation of community based housing for the elderly.

**Nature of activities**

The Organization's programs consist of the following:

**Agency**

Tri-County CAP Administration provides central program management support and oversight to the Organization's many individual programs. This includes planning and budget development, bookkeeping and accounting, payroll and HR services, legal and audit services, IT support, management support, financial support and central policy development.

Tri-County CAP Administration is the liaison between Tri-County Community Action Program, Inc., Board of Directors and its programs, ensuring that programs comply with agreements made by the Board to funding sources and vendors.

Other responsibilities include the management and allocation of funding received through a Community Services Block Grant, as well as management of the Organization's real estate property.

**Head Start**

Head Start provides comprehensive services to low-income children and their families. Head Start supports children's growth and development in a positive learning environment through a variety of activities as well as providing services, which include in addition to early learning, health and family well-being. All children receive health and development screenings, nutritious meals, oral health and mental health support. Parents and families are supported in achieving their own goals, such as housing stability, continued education, and financial stability.

Programs support and strengthen parent-child relationships as their child's primary educator. Head Start staff work as partners with parents to identify and provide individualized activities that support their child's growth and development.

Tri County Community Action Head Start serves 217 children in Carroll, Coos & Grafton counties in 9 locations with 12 center-based classrooms and 1 home based option.

#### **Guardianship**

The Organization's Guardianship program provides advocacy and guardian services for the vulnerable population of New Hampshire residents (developmentally disabled, chronically mentally ill, traumatic brain injury, and the elderly suffering from alzheimer's, dementia, and multiple medical issues) who need a guardian and who have no family member or friend willing, able, or suitable to serve in that capacity. This program serves 406 individuals. Additional services include, conservatorship, representative payee-ship, federal fiduciary services, benefit management services and private probate accounting services.

#### **Transportation**

The Organization's transit program provides various transportation services: public bus routes, door-to-door service by request, long distance medical travel to medical facilities outside our regular service area, and special trips for the elderly to go shopping and enjoy other activities that are located outside the regular service area. The Organization's fleet of 17 wheelchair accessible vehicles offers transportation options to the elderly and disabled, as well as to the general public.

#### **Volunteer**

The Coos County Retired & Senior Volunteers Program (RSVP) maintains a minimum group of 400 volunteers, ages 55 and older, of which 309 actively served during the last reporting period. These volunteers share their skills, life experiences, and time with over 60 local non-profit and public agencies throughout Coos County that depend on volunteer assistance to meet the needs of their constituents. Our volunteers donate over 43,611 hours yearly.

#### **Workforce Development**

The Organization is assisting transitional and displaced workers as they prepare for new jobs, and also assisting currently-employed workers to gain the skills required for better jobs.

The Organization is helping to implement New Hampshire's Unified State Plan for Workforce Development, in line with the federal Workforce Investment Act. Workforce training programs, with training facilities in three towns, provide temporary assistance for needy families (TANF) recipients with 20-30 hours per week of training in the areas of employment skills, computer skills, and business experience, and also place participating TANF recipients in community-based work experience sites.

#### **Alcohol & Other Drugs (AOD)**

Services provided through the AOD program include assisting the alcoholic/addicted person on the road to recovery, through three phases: Crisis Intervention, Sobriety Maintenance, and Assessment and Referral to appropriate treatment facilities.

The Residential Treatment Programs (Friendship House) provide chemically dependent individuals with the fundamental tools of recovery, including educational classes, group and individual counseling, work and recreational therapy, and attendance at in-house and community-based alcoholics anonymous and narcotics anonymous meetings. The AOD program also offers assistance with its impaired driver programs.

The Friendship House, in December of 2014, had approximately \$130,000 worth of investments and improvements due to assistance from Public Services of New Hampshire. There was a total of \$111,595 of pre-development capitalized expenses at June 30, 2017.

Effective October 1, 2017, the Organization is no longer responsible for the Alcohol & Other Drugs (AOD) program. The grants for the program have been transferred to North Country Health Consortium (NCHC), as they are taking over the program. The Friendship House was sold to Affordable Housing Education and Development (AHEAD).

#### **Carroll County Dental**

The Tamworth Dental Center (the Center) offers high quality oral health care to children with NH Medicaid coverage. The Organization also serves uninsured and underinsured children and adults using a sliding fee scale that offers income-based discounts for care. The Center accepts most common dental insurances for those who have commercial dental insurance coverage. A school-based project of the Dental Center, School Smiles, offers oral health education, screening, treatment and referrals for treatment to over 1,000 children in 9 schools in the vicinity of the Center.

#### **Support Center**

The Organization's Support Center at Burch House provides direct service and shelter to victims and survivors of domestic and sexual violence and stalking in Northern Grafton County. Support Center services are accessible 24 hours a day, 365 days a year. They include: crisis intervention; supportive counseling; court, hospital and policy advocacy and accompaniment; emergency shelter; support groups; community

education and outreach; violence prevention programs for students; information, referrals and assistance accessing other community resources.

### **Homeless**

Homeless services include an outreach intervention and prevention project that strives to prevent individuals and families from becoming homeless, and assists the already homeless in securing safe, affordable housing. The Organization provides temporary shelter space for homeless clients.

The Organization also provides some housing rehabilitation services to help preserve older housing stock.

### **Energy Assistance and Outreach**

Energy Assistance Services provide fuel and electric assistance through direct pay to vendors or a discount on the client's bill. Community Contact sites allow local participants access to energy assistance programs and other emergency services. The offices provide information to the Organization's clients about other programs offered, as well as other programs available through other organizations in the community.

### **Low-Income Weatherization**

The NH weatherization program helps low-income families, elderly, disabled, small children and individuals lower their home energy costs; increase their health, safety, and comfort; and improve the quality of living while improving housing stock in communities around the state utilizing energy cost saving, health and safety and carbon lowering measures. The NH Weatherization Assistance Program also creates local NH jobs.

### **Elder**

The Organization's elder program provides senior meals in 15 community dining sites, home-delivered meals (Meals on Wheels) to the frail and homebound elderly, and senior nutrition education and related programming. The Coos County ServiceLink Aging & Disability Resource Center assists with person-centered counseling, Medicare counseling, Medicaid assistance, long-term care counseling services, and caregiver supports.

### **Housing Services**

Cornerstone Housing North, Inc. is subject to a Project Rental Assistance Contract (PRAC) with the United States Department of Housing and Urban Development (HUD), and a significant portion of their rental income is received from HUD.

The Organization includes a 12 unit apartment complex in Berlin, New Hampshire for the elderly. This operates under Section 202 of the National Housing Act and is regulated by HUD with respect to the rental charges and operating methods.

The above Organization has a Section 202 Capital Advance. Under guidelines established by the U.S. Office of Management and Budget *Uniform Guidance, Title 2 U.S. Code of Federal Regulations (CFR) part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, the Section 202 Capital Advance is considered to be a major program.

**Method of accounting**

The consolidated financial statements of Tri-County Community Action Program, Inc. have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under this basis, revenue, other than contributions, and expenses are reported when incurred without regard to the date of receipt or payment of cash.

**Basis of presentation**

Financial statement presentation follows the recommendations of the FASB in its Accounting Standard Codification No. 958 *Financial Statements of Not-For-Profit Organizations*. Under FASB ASC No. 958, the Organization 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.

The Organization had no permanently restricted net assets at June 30, 2018 and 2017. The Organization had temporarily restricted net assets of \$817,791 and \$702,600 at June 30, 2018 and 2017, respectively.

**Restricted and unrestricted support**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Unrestricted net assets** include revenues and expenses and contributions which are not subject to any donor imposed restrictions. Unrestricted net assets can be board designated by the Board of Directors for special projects and expenditures.

**Temporarily restricted net assets** include contributions for which time restrictions or donor-imposed restrictions have not yet been met. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction (Note 12).

**Permanently restricted net assets** include gifts which require, by donor restriction, that the corpus be invested in perpetuity and only the income or a portion thereof (excluding capital gains restricted by State statute) be made available for program operations in accordance with donor restrictions. The Organization had no permanently restricted net assets at June 30, 2018 and 2017.

### **Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. The accounting standards for fair values establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The hierarchy is classified into three levels based on the reliability of inputs as follows:

**Level 1:** Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

**Level 2:** Valuation is determined from quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in markets that are not active or by model-based techniques in which all significant inputs are observable in the market.

**Level 3:** Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The degree of judgment exercised in determining fair value is greatest for instruments categorized as Level 3.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, the type of asset/liability, whether the asset/liability is established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, assumptions are required to reflect those that market participants would use in pricing the asset or liability at the measurement date.

### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Most of the receivables are amounts due from federal and state awarding agencies and are based on reimbursement for expenditures made under specific grants or contracts. A portion of the accounts receivable balance represents amounts due from patients at Carroll County Dental program. Past due receivables are written off at management's discretion using the direct write off method; this is not considered a departure from accounting principles generally accepted in the United State because the effects of the direct write method approximate those of the allowance method. Management selects accounts to be written off after analyzing past payment history, the age of the accounts receivable, and collection rates for receivables with similar characteristics, such as length of time outstanding. The Organization does not charge interest on outstanding accounts receivable.

### **Property and Depreciation**

Acquisitions of buildings, equipment, and improvements in excess of \$5,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Buildings, equipment, and improvements are stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets.

Depreciation expense related to assets used solely by an individual program is charged directly to the related program. Depreciation expense for assets used by more than one program is charged to the program based upon a square footage or other similar allocation.

Depreciation expense related to administrative assets is included in the indirect cost pool and charged to the programs in accordance with the indirect cost plan. Maintenance and repairs that do not materially prolong the useful lives of assets are charged to expense as incurred.

Estimated useful lives are as follows:

Buildings and improvements	20 to 40 years
Vehicles	5 to 8.5 years
Furniture and equipment	5 to 15 years

### **Client Rents and HUD Rent Subsidy**

Cornerstone Housing North, Inc.'s rents are approved on an annual basis by the Department of Housing and Urban Development. Rental increases are prohibited without such approval. The clients are charged rent equal to 30% of their income less adjustments allowed by the Department of Housing and Urban Development.

Rent subsidies are received from the Department of Housing and Urban Development for the difference between the allowed rents and the amounts received from the clients.

#### **Refundable Advances**

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services or expenditures are performed or incurred. Funds received in advance of grantor conditions being met aggregated \$191,069 and \$197,548 as of June 30, 2018 and 2017, respectively.

#### **Nonprofit tax status**

The Organization is a *not-for-profit* Section 501(c)(3) organization in accordance with the Internal Revenue Code. It has been classified as an Organization that is not a private foundation under the Internal Revenue Code and qualifies for a charitable contribution deduction for individual donors. The Organization files information returns in the United States. The Organization's Federal Form 990 (Return of Organization Exempt from Income Tax), is subject to examination by the IRS, generally for three years after it is filed. The Organization is no longer subject to examinations by tax authorities for years prior to 2014.

The Organization follows FASB ASC, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. The Organization does not believe they have taken uncertain tax positions, therefore, a liability for income taxes associated with uncertain tax positions has not been recognized.

Cornerstone Housing North, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined the Organization to be other than a private foundation within the meaning of Section 509(a).

#### **Retirement plan**

The Organization maintains a tax-sheltered annuity plan under the provisions of Section 403(b) of the Internal Revenue Code. All employees are eligible to contribute to the plan beginning on the date they are employed. Each employee may elect salary reduction agreement contributions in accordance with limits allowed in the Internal Revenue Code. Employer contributions are at the Organization's annual discretion. In January 2013, employer contribution payments ceased, therefore as of June 30, 2018 and 2017, there were no discretionary contributions recorded. Further information can be obtained from the Organization's 403(b) audited financial statements.

#### **Donated services and goods**

Contributions of donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

Contributed noncash assets are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of noncash assets are recorded as unrestricted support.

#### **Donated property and equipment**

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

#### **Promises to Give**

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at the net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

As of June 30, 2018 and 2017, there were promises to give that were absent of donor stipulations, but restricted in regards to timing, and therefore classified as temporarily restricted in the amount of \$212,207 and \$205,804, respectively. This amount was included in grants and contracts on the Consolidated Statement of Activities.

#### **Use of estimates**

The presentation of financial statements in conformity accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### **Fair Value of Financial Instruments**

Accounting Standards Codification No. 825 (ASC 825), *Disclosures of Fair Value of Financial Instruments*, requires the Organization to disclose fair values of its

financial instruments. The carrying amount of the Organization's financial instruments which consists of cash, accounts receivable, deposits and accounts payable, approximate fair value because of the short-term maturity of those instruments.

**Functional allocation of expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

**Program salaries and related expenses** are allocated to the various programs and supporting services based on actual or estimated time employees spend on each function as reported on a timesheet.

**Workers Compensation expenses** are charged to each program based upon the classification of each employee and allocated to the various program based upon the time employees spend on each function as noted above.

**Paid Leave** is charged to a leave pool and is allocated to each program as a percentage of total salaries.

**Fringe Benefits** are charged to a Fringe Benefit Pool. These expenses include employer payroll taxes, pension expenses, health and dental insurance and unemployment compensation. The pool is allocated to each program based upon a percentage of salaries.

**Depreciation expense** is allocated to each program based upon specific assets used by the program and is reported as depreciation expense on the statements of functional expenses.

**Other occupancy expenses** are applicable to assets which are used by multiple programs. Buildings are primarily charged to the benefiting program based upon an analysis of square footage. Costs related to a building include depreciation, insurance, utilities, building maintenance, etc. These costs are reported as space costs on the statements of functional expenses.

**Insurance:** automobile insurance is allocated to programs based on vehicle usage; building liability insurance is allocated to programs based on square footage of the buildings; and insurance for furniture and equipment is allocated to programs using the book basis of the insured assets.

**The remaining shared expenses** are charged to an Indirect Cost Pool and are allocated to each program based upon a percentage of program expenses. The expenses include items such as administrative salaries, general liability insurance, administrative travel, professional fees and other expenses which cannot be specifically identified and charged to a program.

The Organization submits an indirect cost rate proposal for the paid leave, fringe benefits and other indirect costs to the U.S. Department of Health and Human Services. The proposal effective for the fiscal year beginning July 1, 2017 received provisional approval and is effective until amended at a rate of 13%. Per the agreement with the U.S. Department of Health and Human Services, the Organization's final rate for the year ended June 30, 2017 was 12.5%. The Organization carefully calculates the allocation to agree exactly with the expenses in the indirect pool. The actual rate for the year ended June 30, 2018 was approximately 11.454%, which is allowable because it is less than the provisional rate.

**Advertising policy**

The Organization uses advertising to inform the community about the programs it offers and the availability of services. Advertising is expensed as incurred. The total cost of advertising for the years ended June 30, 2018 and 2017 was \$18,616 and \$26,456, respectively.

**NOTE 2. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on hand, funds on deposit with financial institutions, and investments with original maturities of three months or less. At year end and throughout the year, the Organization's cash balances were deposited with multiple financial institutions. At June 30, 2018 and 2017, the balances in interest and non-interest-bearing accounts were insured by the FDIC up to \$250,000. At June 30, 2018 and 2017, there was approximately \$1,200,000 and \$665,000, of deposits held in excess of the FDIC limit, respectively. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents and considers this a normal business risk.

**Cash Restrictions**

The Organization is required to maintain a deposit account with a bank as part of the loan security agreement disclosed at **Note 6**. The required balance in the account is \$19,968 and is restricted from withdrawal except to make payments of debt service or as approved by the US Department of Agriculture. The Organization is compliant with this requirement as of October 2017.

Amounts withdrawn to make payments of debt service must be replenished with monthly deposits until the maximum required deposit balance is achieved. The balance as of June 30, 2018 and 2017 was \$19,980 and \$19,611, respectively. The Organization has made all of their scheduled deposits for the years ended June 30, 2018 and 2017. These amounts are included in restricted cash on the Statements of Financial Position.

The Organization is required to maintain a deposit account with another bank as part of a bond issue (see bond payable in **Note 6**). The required balance in the account is \$173,817 and is equal to 12 monthly payments. The balance as of June 30, 2018 and 2017 was \$174,273 and \$187,095, respectively, and the Organization was in compliance with this requirement. These amounts are included in restricted cash on the Statements of Financial Position.

The Organization maintains a deposit account on behalf of clients who participate in the Guardianship Services Program. The balance in the account is restricted for use on behalf of these clients and an offsetting liability is reported on the financial statements as other current liabilities. The total current liability related to this restriction at June 30, 2018 and 2017 was \$378,605 and \$642,308, respectively. These amounts are included in other liabilities on the Statements of Financial Position. The total restricted cash within this account at June 30, 2018 and 2017 was \$378,605 and \$642,308, respectively, and is included in the restricted cash balance on the Statements of Financial Position.

Certain cash accounts related to Cornerstone Housing North, Inc. are restricted for certain uses in the Organization under rules and regulations prescribed by the Department of Housing and Urban Development. The total amount restricted at June 30, 2018 and 2017 was \$131,610 and \$93,673, respectively.

**NOTE 3. INVENTORY**

In 2018 and 2017, inventory included weatherization materials which had been purchased in bulk. These items are valued at the most recent cost. A physical inventory is taken annually. Cost is determined using the first-in, first-out (FIFO) method. Inventory at June 30, 2018 and 2017, consists of weatherization materials totaling \$87,569 and \$65,641, respectively.

During the year ended June 30, 2018, the Organization adopted the provisions of the FASB Accounting Standard Update (ASU) 2015-11, *Inventory, (Topic 330): Simplifying the Measurement of Inventory*, which simplifies the subsequent measurement of inventory by requiring inventory to be measured at the lower of cost net realizable value. Net realizable value is the estimated selling price of inventory in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The Organization has evaluated ASU 2015-11 and has determined that it has no material impact to the financial statements.

**NOTE 4. ACCRUED EARNED TIME**

For the years ending June 30, 2018 and 2017, employees of the Organization were eligible to accrue vacation for a maximum of 160 hours. At June 30, 2018 and 2017, the Organization had accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$203,121 and \$242,545, respectively.

**NOTE 5. PROPERTY**

Property consists of the following at June 30, 2018:

	<u>Capitalized Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Building	\$10,003,944	\$ 3,448,411	\$ 6,555,533
Equipment	2,384,905	1,754,913	629,992
Land	<u>423,840</u>	<u>-</u>	<u>423,840</u>
	<u>\$12,812,689</u>	<u>\$ 5,203,324</u>	<u>\$ 7,609,365</u>

Property consists of the following at June 30, 2017:

	<u>Capitalized Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Building	\$10,679,707	\$ 3,428,094	\$ 7,251,613
Equipment	2,400,922	1,889,376	511,546
Land	<u>463,840</u>	<u>-</u>	<u>463,840</u>
	<u>\$13,544,469</u>	<u>\$ 5,317,470</u>	<u>\$ 8,226,999</u>

The Organization has use of computers and equipment which are the property of state and federal agencies under grant agreements. The equipment, whose book value is immaterial to the financial statements, is not included in the Organization's property and equipment totals.

Depreciation expense for the years ended June 30, 2018 and 2017 totaled \$463,483 and \$491,254, respectively.

The Organization also had building refinancing costs of \$17,730 during the year ended June 30, 2014. Amortization expense and accumulated amortization for the year ended June 30, 2018 totaled \$887 and \$5,025, respectively. Amortization expense and accumulated amortization for the year ended June 30, 2017 totaled \$887 and \$4,138, respectively.

**NOTE 6. LONG TERM DEBT**

The long term debt of the Organization as of June 30, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Note payable with the USDA requiring 360 monthly installments of \$1,496, including interest at 4.5% per annum. The property was sold and the loan was paid in full during 2018.	\$ -	\$ 108,127

Note payable with the USDA requiring 360 monthly installments of \$1,664, including interest at 5% per annum. Secured by general business assets. Final installment due January 2027.	138,225	150,935
Note payable with the USDA requiring 360 monthly installments of \$292, including interest at 4.75% per annum. The property was sold and loan was paid in full during 2018.	-	29,633
Note payable with the USDA requiring 360 monthly installments of \$74, including interest at 4.75% per annum. The property was sold and loan was paid in full during 2018.	-	8,103
Note payable with a bank requiring 120 monthly installments of \$3,033, including interest at 4.69% per annum. Secured by first mortgages on two commercial properties. Final installment due April 2021.	349,131	368,428
Note payable with a bank requiring 60 monthly installments of \$459, including interest at 5% per annum. This note was an unsecured line of credit that was converted to a term loan during the year ended June 30, 2016. Final installment due April 2021. See Note 8.	14,500	19,144
Note payable to a non-profit organization (related party), monthly principal payments of \$1,533. Final installment due October 2018. A portion of the note payable was forgiven by the non-profit organization during the year ended June 30, 2017. See Note 16.	-	24,533
Note payable to a financing company requiring 72 monthly installments of \$312, including interest at 5.49% per annum. Secured by the Organization's vehicle. Final installment due August 2021.	10,874	13,934
Note payable to a financing company requiring 72 monthly installments of \$313, including interest at 5.54% per annum. Secured by the Organization's vehicle. Final installment due July 2021.	10,637	13,715
Note payable to a financing company requiring 60 monthly installments of \$143, including interest at 5.99% per annum. Secured by the Organization's vehicle. Final installment due November 2020.	3,863	5,306

Note payable to a financing company requiring 72 monthly installments of \$248, including interest at 6.10% per annum. Secured by the Organization's vehicle. Final installment due February 2023.	12,041	14,207
Note payable with a bank requiring 60 monthly installments of \$4,518, including interest at 4.16% per annum. Secured by second mortgage on commercial property. Final balloon payment was due December 2017. The loan was refinanced in March 2018. It requires 60 monthly installments of \$2,512, including interest at 5.51% per annum. Final balloon payment is due in March 2023.	403,244	417,421
Bond payable with a bank requiring monthly installments of \$14,485, including interest of 2.75% plus the bank's internal cost of funds multiplied by 67% with an indicative rate as of March 2017 of 3.28%. Secured by first commercial real estate mortgage on various properties and assignments of rents at various properties. Final installment due August 2040.	2,719,260	2,801,159
Cornerstone Housing North, Inc. capital advance due to the Department of Housing and Urban Development. This capital advance is not subject to interest or principal amortization and will be forgiven after 40 years, or in August 2047.	1,617,600	1,617,600
Cornerstone Housing North, Inc. mortgage payable due to New Hampshire Housing Finance Authority. The mortgage is not subject to interest or principal amortization. Payments are deferred for 40 years, final payment due in August 2047.	<u>250,000</u>	<u>250,000</u>
	5,529,375	5,842,245
Less current portion due within one year	<u>(142,733)</u>	<u>(587,809)</u>
	<u>\$ 5,386,642</u>	<u>\$ 5,254,436</u>

The scheduled maturities of long term debt as of June 30, 2018 were as follows:

<u>Years ending June 30</u>	<u>Amount</u>
2019	\$ 142,733
2020	148,501
2021	437,412
2022	123,200
2023	485,560
Thereafter	<u>4,191,969</u>
	<u>\$ 5,529,375</u>

As described at Note 2, the Organization is required to maintain a reserve account with a bank for the first four notes payable listed above. In May 2013, the Organization began making monthly deposits to the reserve account, but had not yet accumulated the required balance. Failure to meet this requirement may be construed by the Government to constitute default; however, the awarding agency is aware of this issue and has not made a request for advanced payment.

**NOTE 7. CAPITAL LEASE OBLIGATIONS**

During the year ended June 30, 2016, the Organization leased a phone system and copier under the terms of capital leases, expiring in November 2020 and March 2021, respectively. During the year ended June 30, 2017, the Company leased an additional copier under the terms of a capital lease, expiring in May 2021. The assets and liabilities under the capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets are depreciated over their estimated lives.

The obligations included in capital leases at June 30, 2018 and 2017, consisted of the following:

	<u>2018</u>	<u>2017</u>
Lease payable to a financing company with monthly installments of \$208 for principal and interest at 9.5% per annum. The lease is secured by the phone system and will mature in November 2020.	\$ 5,362	\$ 7,246
Lease payable to a financing company with monthly installments of \$122 for principal and interest at 8.841% per annum. The lease is secured by a copier and will mature in March 2021.	3,467	4,570

Lease payable to a financing company with monthly installments of \$122 for principal and interest at 8.918% per annum. The lease is secured by a copier and will mature in May 2021.

	<u>3,842</u>	<u>4,911</u>
	12,671	16,727
Less current portion	<u>(4,445)</u>	<u>(4,057)</u>
	<u>\$ 8,226</u>	<u>\$ 12,670</u>

The scheduled maturities of capital lease obligations as of June 30, 2018 were as follows:

<u>Years ending June 30</u>	<u>Amount</u>
2019	\$ 4,445
2020	4,870
2021	<u>3,356</u>
	<u>\$ 12,671</u>

**NOTE 8. DEMAND NOTE PAYABLE**

The Organization has available a \$750,000 line of credit with TD Bank which is secured by real estate mortgages and assignments of leases and rents on various properties as disclosed in the line of credit agreement. Borrowings under the line bear interest at 5.00% per annum, and totaled \$316,000 and \$400,000 at June 30, 2018 and 2017, respectively. The line is subject to renewal each January.

The Organization was issued an unsecured revolving line of credit in 2014 with the New Hampshire Department of Administration Services. On June 30, 2018 and 2017, the outstanding debt totaled \$200,022 and \$271,434, respectively, which included accrued interest of \$22 and \$21,434, respectively. During the year ended June 30, 2017 there was an amendment to the original agreement. The Organization is not required to make payments of interest or principal prior to maturity. The unsecured revolving line of credit matures in November 2019.

**NOTE 9. OPERATING LEASES**

The Organization has entered into numerous lease commitments for space. Leases under non-cancelable lease agreements have various starting dates, lengths, and terms of payment and renewal. Additionally, the Organization has several facilities which are leased on a month to month basis. For the years ended June 30, 2018 and 2017, the annual rent expense for leased facilities totaled \$165,227 and \$163,025, respectively.

Minimum future rental payments under non-cancelable operating leases having initial terms in excess of one year as of June 30, 2018, are as follows:

<u>Years ending</u> <u>June 30</u>	<u>Amount</u>
2019	\$ 157,610
2020	43,441
2021	39,611
2022	<u>3,301</u>
	<u>\$ 243,963</u>

**NOTE 10. IN-KIND CONTRIBUTIONS**

The Organization records the value of in-kind contributions according to the accounting policy described in Note 1. The Head Start, transportation and elder programs rely heavily on volunteers who donate their services to the Organization. These services are valued based upon the comparative market wage for similar paid positions.

The Organization is also the beneficiary of a donation of in kind in the form of below market rent for some of the facilities utilized by the Head Start and elder programs. The value of the in-kind rent is recorded at the difference between the rental payment and the market rate for the property based upon a recent appraisal.

Many other individuals have donated significant amounts of time to the activities of the Organization. The financial statements do not reflect any value for these donated services since there is no reliable basis for making a reasonable determination.

**NOTE 11. CONCENTRATION OF RISK**

Tri-County Community Action Program, Inc. receives a majority of its support from federal and state governments. For the years ended June 30, 2018 and 2017, approximately \$13,773,803 (75%) and \$12,128,016 (71%), respectively, of the Organization's total revenue was received from federal and state governments. If a significant reduction in the level of support were to occur, it would have a significant effect on the Organization's programs and activities.

Cornerstone Housing North, Inc. receives a large majority of its support from the U.S. Department of Housing and Urban Development. For the years ended June 30, 2018 and 2017 approximately 69% for each year, respectively, of the Organizations total revenue was derived from the U.S. Department of Housing and Urban Development. In the absence of additional revenue sources, the future existence of Cornerstone Housing North, Inc. is dependent upon the funding policies of the U.S. Department of Housing and Urban Development.

The majority of Cornerstone Housing North, Inc.'s assets are apartment projects, for which operations are concentrated in the elderly person's real estate market. In

addition, the Organization operates in a regulated environment. The operation of the Organization is subject to administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the administrative burden, to comply with the change.

**NOTE 12. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following specific program services as of June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Temporary Municipal Funding	\$ 212,207	\$ 205,804
Restricted Buildings	190,049	94,239
10 Bricks Shelter Funds	142,190	141,190
FAP	136,614	87,991
IDN Capacity Fund	32,194	15,066
Homeless Programs	27,680	36,856
FAP/EAP	23,249	11,735
Loans - HSGP	21,454	24,261
USDA	10,332	7,252
Loans - HHARLF	6,967	10,884
RSVP Program Funds	5,021	3,675
Head Start	4,172	973
Community Needs Assessment	4,076	-
Donations to Maple Fund	1,586	1,246
NH Charitable Foundation Grant, Mt. Jasper	-	32,653
Service Link	-	12,123
L. CHIP – Brown Co. House	-	8,236
Donations to Mahoosuc Trail	-	6,842
Julien Fund (AOD)	-	1,175
Angélias Fund (AOD)	-	235
EAP	-	164
	<u>                  </u>	<u>                  </u>
Total temporarily restricted net assets	<u>\$ 817,791</u>	<u>\$ 702,600</u>

**NOTE 13. COMMITMENTS AND CONTINGENCIES**

**Grant Compliance**

The Organization receives funds under several federal and state grants. Under the terms of the grants the Organization is required to comply with various stipulations including use and time restrictions. If the Organization was found to be noncompliant with the provisions of the grant agreements, the Organization could be liable to the grantor or face discontinuation of funding.

**Environmental Contingencies**

On March 30, 2009, the Organization's Board of Directors agreed to secure ownership of a 1.2-acre site located in Berlin, New Hampshire. There are 2 buildings on this site designated as the East Wing and West Wing Buildings which were formerly used as a research and development facility for the Berlin Mills Company.

The exterior soil and interior parts of the East Wing Building contained contaminants which required environmental remediation. In a letter dated May 2, 2012, the State of New Hampshire Department of Environment Services (the Department) noted that the remedial actions for the exterior soils and parts of the East Wing Building had been completed to the Department's satisfaction.

In addition, the Department noted that the contaminants related to the West Wing Building did not pose an exposure hazard to site occupants, area residents, and the environment provided the West Wing Building is maintained to prevent further structural deterioration. If further deterioration occurs and contaminants are released into the environment, the Organization could be required to take additional action including containment and remediation.

**Loss Contingencies**

During the year ended June 30, 2018, legal actions were brought against the Organization. Due to the uncertainty of the outcome of such cases as of June 30, 2018, as well as the uncertainty of the Organization's potential liability, no amount has been accrued by the Organization at this time.

**NOTE 14. RELATED PARTY TRANSACTIONS**

As disclosed in Note 6, the Organization has a loan payable to a non-profit organization which also provides pass-through state and federal funding for some of the Organization's programs. See Note 6 and Note 16 for terms of the note payables and related forgiveness of debt. The Organization had a note payable to a related party in the amount of \$24,533 at June 30, 2017. The note payable was paid in full during 2018.

**NOTE 15. RESIDUAL RECEIPTS ACCOUNT**

Cornerstone Housing North, Inc.'s use of the residual receipts account is contingent upon HUD's prior written approval. During the year ended June 30, 2017, HUD approved a withdrawal from the residual receipt account in the amount of \$13,205 for an energy efficiency project. There were no withdrawals from the residual receipts account for the year ended June 30, 2018. Residual receipts of \$21,326 and \$1,847 were held in a segregated account for the years ended June 30, 2018 and 2017, respectively.

**NOTE 16. FORGIVENESS OF DEBT**

During the year ended June 30, 2017, the Organization realized forgiveness of debt income in connection with a note payable to a non-profit organization. Forgiveness of debt income totaled \$25,912 for the year ended June 30, 2017.

**NOTE 17. SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Non-recognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date, but arose after that date. Management has evaluated subsequent events through October 19, 2018, the date the financial statements were available to be issued.

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<b>U.S. Department of Health and Human Services</b>				
Head Start	93.600		01CH10000-03-00	\$ 1,404,182
Head Start	93.600		01CH10000-04-00	883,458
			TOTAL	<u>2,287,640</u>
Low-income Home Energy Assistance	93.588	State of New Hampshire Office of Energy and Planning	G-1881NHL4EA	294,014
Low-income Home Energy Assistance	93.588	State of New Hampshire Office of Energy and Planning	G-1781NHL4EA	8,278,727
Low-income Home Energy Assistance	93.588	State of New Hampshire Office of Energy and Planning	G-1881NHL4EA	4,102
Low-income Home Energy Assistance	93.588	State of New Hampshire Office of Energy and Planning	G-1781NHL4EA	183,618
Low-income Home Energy Assistance	93.588	State of New Hampshire Office of Energy and Planning	G-1801NHL4EA	37,908
Low-income Home Energy Assistance	93.588	State of New Hampshire Office of Energy and Planning	G-1781NHL4EA 1056420	231,153
Low-income Home Energy Assistance	93.588	State of New Hampshire Office of Energy and Planning	G-1881NHL4EA 1056420	420,828
			TOTAL	<u>8,451,350</u>
<b>AGING CLUSTER</b>				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (SEAS)	93.044	State of New Hampshire Office of Energy and Planning	17AAHHT3SP	8,111
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (Sr Wheat)	93.044	State of New Hampshire Department of Health and Human Services	512-900352	191,820
			TOTAL	<u>199,931</u>
Special Programs for the Aging - Title III, Part C - Nutrition Services (Congregate & HD Meals)	93.045	State of New Hampshire Department of Health and Human Services	541-900383	272,093
Nutrition Services Incentive Program (NSIP)	93.053	State of New Hampshire Department of Health and Human Services	NONE	84,579
			CLUSTER TOTAL	<u>478,603</u>
Community Services Block Grant	93.589	State of New Hampshire Department of Health and Human Services	102-500731	537,911
<b>TANF CLUSTER</b>				
Temporary Assistance for Needy Families (NHFP Workforce Success)	93.538	Southern New Hampshire Services, Inc.	13-DHHS-BWVW-CSP-05	300,100
Temporary Assistance for Needy Families (JARC)	93.538	State of New Hampshire Department of Health and Human Services	102-500731	24,800
			CLUSTER TOTAL	<u>324,900</u>
Preventative Health & Human Services Block Grant - Oral Health	93.798	State of New Hampshire Department of Health and Human Services	90072003	14,434
HIV Care Formula Grants (Ryan White Care Program)	93.917	State of New Hampshire Department of Health and Human Services	530-900371	8,455
National Family Caregiver Support, Title III, Part E (Family Caregiver)	93.052	State of New Hampshire Department of Health and Human Services	570-900823	24,030
<b>MEDICAID CLUSTER</b>				
Medical Assistance Program (Options Counseling and I&R #7)	93.778	State of New Hampshire Department of Health and Human Services	530-900734	70,784
Social Services Block Grant (Title XX I&R)	93.867	State of New Hampshire Department of Health and Human Services	545-900387	8,244
Social Services Block Grant (Dual Citizenship)	93.867	State of New Hampshire Department of Health and Human Services	544-900388	83,719
Social Services Block Grant (Title XX HD miles)	93.867	State of New Hampshire Department of Health and Human Services	102-900731	38,399
			TOTAL	<u>179,362</u>
State Health Insurance Assistance Program	93.324	State of New Hampshire Department of Health and Human Services	102-600734	8,863
Special Programs for the Aging - Title IV and Title II - Discretionary Projects (SMPP)	93.048	State of New Hampshire Department of Health and Human Services	102-500734	8,086
Medicare Enrollment Assistance Program (MEPPA)	93.071	State of New Hampshire Department of Health and Human Services	102-900734	2,847
Promoting Safe and Stable Families/Family Violence Prevention and Services/Discretionary	93.558 & 93.582	State of New Hampshire Coalition against Domestic and Sexual Violence	SP/RDV	53,041
Preventative HHS Block Grant & Injury Prevention and Control Research	93.136 & 93.758	State of New Hampshire Coalition against Domestic and Sexual Violence	NONE	8,800
Block Grants for Prevention and Treatment of Substance Abuse	93.998	State of New Hampshire Division of Public Health Services	05-85-49-491510	92,356
Projects for Assistance in Transition from Homelessness (PATH)	93.150	State of New Hampshire Bureau of Homelessness and Housing	500731-102	79,824
<b>Total U.S. Department of Health and Human Services</b>				<b>\$ 10,885,453</b>

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NAME	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Energy</u> Weatherization Assistance for Low-Income Persons	81.042	State of New Hampshire Governor's Office of Energy & Community Service	EE0006109	\$ 253,133
Total U.S. Department of Energy				\$ 253,133
<u>U.S. Corporation for National and Community Service</u> Retired and Senior Volunteer Program	94.002		16SRAN#001	\$ 63,512
Total U.S. Corporation for National and Community Service				\$ 63,512
<u>U.S. Department of Agriculture</u> FOOD DISTRIBUTION CLUSTER Emergency Food Assistance Program (Administration Costs)	10.558	BMCAP	81750000	\$ 2,360
Child and Adult Care Food Program	10.558	State of New Hampshire Department of Education	NONE	134,700
Total U.S. Department of Agriculture				\$ 137,120
<u>U.S. Department of Homeland Security</u> Emergency Management Performance Grants (FEMA)	97.042			\$ 20,754
Total U.S. Department of Homeland Security				\$ 20,754
<u>U.S. Department of Justice</u> Grants to Encourage Arrest Program (GTEAP)	18.990	State of New Hampshire Coalition against Domestic and Sexual Violence	2014-WV-AX-0038	\$ 1,274
Crime Victim Assistance (VOCA)	18.575	State of New Hampshire Coalition against Domestic and Sexual Violence	NONE	119,065
Sexual Assault Services Formula Program (SASP)	18.017	State of New Hampshire Coalition against Domestic and Sexual Violence	2017-KF-AX-0019	15,851
Total U.S. Department of Justice				\$ 136,210
<u>U.S. Department of Transportation</u> Formula Grants for Rural Areas (Section 5311)	20.509	State of New Hampshire Department of Transportation	NH-18-XD-68	\$ 277,148
TRANSIT SERVICES PROGRAMS CLUSTER Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	State of New Hampshire Department of Transportation	NH-05-XD04	31,528
Enhanced Mobility of Seniors and Individuals with Disabilities (5310 POS, NCC)	20.513	State of New Hampshire Department of Transportation	NH-18-XD43	40,058
Total U.S. Department of Transportation			CLUSTER TOTAL	\$ 348,735
<u>U.S. Department of Housing and Urban Development</u> Emergency Solutions Grant Program	14.231	State of New Hampshire Department of Health and Human Services	102-000731	\$ 31,317
Continuum of Care Program (HOIP)	14.267	State of New Hampshire Department of Health and Human Services	NH0098L17001900	130,821
Total U.S. Department of Housing and Urban Development				\$ 162,138

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NAME	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
U.S. Department of Labor				
WIA/WIOA CLUSTER				
WIA/WIOA Adult Program	17.258	Southern New Hampshire Services, Inc.	2015-0004	\$ 62,339
WIA/WIOA Dislocated Worker Formula Grants	17.278	Southern New Hampshire Services, Inc.	2015-0004	48,495
Total U.S. Department of Labor			CLUSTER TOTAL	\$ 100,834
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 11,927,689
<b>NON-FEDERAL</b>				
NH Public Utilities Commission - Electrical Assistance Program		BMCAP	TOTAL NON-FEDERAL	\$ 273,132

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal grant activity of Tri-County Community Action Program, Inc. under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Tri-County Community Action Program, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE C - INDIRECT RATE**

Tri-County Community Action Program Inc. has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Tri-County Community Action Program, Inc.  
Berlin, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tri-County Community Action Program, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements; and have issued our report thereon dated October 19, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Tri-County Community Action Program Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tri-County Community Action Program Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Tri-County Community Action Program Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tri-County Community Action Program Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Leone McDonnell & Roberts*  
*Professional Association*

October 19, 2018  
North Conway, New Hampshire

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Tri-County Community Action Program, Inc.  
Berlin, New Hampshire

**Report on Compliance for Each Major Federal Program**

We have audited Tri-County Community Action Program Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tri-County Community Action Program Inc.'s major federal programs for the year ended June 30, 2018. Tri-County Community Action Program Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Tri-County Community Action Program Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tri-County Community Action Program Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Tri-County Community Action Program Inc.'s compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Tri-County Community Action Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

### **Report on Internal Control over Compliance**

Management of Tri-County Community Action Program, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Tri-County Community Action Program Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tri-County Community Action Program, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Leone McDonnell & Probita  
Professional Association*

October 19, 2018  
North Conway, New Hampshire

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

1. The auditors' report expresses an unmodified opinion on the financial statements of Tri-County Community Action Program, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Tri-County Community Action Program, Inc. which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs during the audit are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance*.
5. The auditors' report on compliance for the major federal award programs for Tri-County Community Action Program, Inc. expresses an unmodified opinion on all major programs.
6. No audit findings that are required to be reported in accordance with 2 CFR 200.516(a) are reported in this Schedule.
7. The programs tested as major programs included:
  - U.S. Dept. of Health & Human Services, LIHEAP – CFDA #93.568
  - U.S. Dept. of Health & Human Services, TANF Cluster – CFDA #93.558
  - Electrical Assistance Program (Non-Federal) – NH Public Utilities Company
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Tri-County Community Action Program, Inc. was determined to be a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None



# COMMUNITY ACTION

TRI-COUNTY CAP

## BOARD OF DIRECTORS FY2019

### COÖS COUNTY

Board Chair  
Sandy Alonzo

Treasurer  
Cathy Conway

Secretary  
Gary Coulombe

### CARROLL COUNTY

Anne Barber

Michael Dewar

Vice Chair  
Dino Scala

Karolina Brzozowska

### GRAFTON COUNTY

Linda Massimilla

Tricia Garisson

Richard McLeod

Serving Coös, Carroll & Grafton Counties



# Jeanne L. Robillard

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## CORE STRENGTHS

Program development, management and administration ♦ Community collaborations  
Development of policy, protocol, and service delivery to meet funder standards  
Grant writing and management ♦ Budget performance and financial reporting  
Innovative solutions & problem solving ♦ Capacity building  
Professional presentations ♦ Public speaking  
Dedication ♦ Imagination ♦ Determination ♦ Fortitude

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## PROFESSIONAL EXPERIENCE

### **Tri-County Community Action Programs, Inc.**

#### **Chief Executive Officer**

**Berlin, NH current FT employment**

### **Tri-County Community Action Programs, Inc.**

#### **Chief Operating Officer**

**Berlin, NH 2016 - 2018**

Responsible for the operations of six agency Divisions with 15 individual programs that provide over 60 consumer services across three counties of Northern New Hampshire. Essential duties include; supervision of Division Directors, oversee and monitor program resources, revenues, expenditures and budget performance; tactical oversight of programs to meet or exceed agency defined strategic goals; develop and implement strategies to improve individual programs and overall agency program and fiscal performance; oversee and lead special projects such as the Annual Report, Strategic Plan, Community Needs Assessment process, and work with Senior Management Team to develop new service initiatives. Provide tactical guidance to Division Directors to trouble shoot issues and problems in the daily operations of programs.

### **Tri-County Community Action Programs, Inc.**

#### **Division Director: TCCAP Prevention Services**

**Berlin, NH 2015- 2016**

Responsible for four agency programs under the umbrella of TCCAP Prevention Services; oversee division resources, revenues, and expenditures and monitor budget performance; general oversight of programs to meet or exceed agency defined strategic goals; supervise program directors; write grants to support programs, monitor results, and prepare grant reports and financial statements for funders and agency; develop fundraising and marketing strategies for programs; represent program through participation in state and local initiatives relative to program/division goals and service delivery; collaborate with stakeholders and elected officials, including presenting legislative testimony.

### **Tri-County Community Action Programs, Inc.**

#### **Program/Division Director: Support Center at Burch House**

**Littleton, New Hampshire 2007- 2015**

Oversee daily operation and supervision of domestic and sexual violence crisis center and residential shelter; write grants to support programs, monitor results, and prepare grant reports and financial statements for funders and parent agency; oversee program resources, revenues and expenditures, and monitor budget performance and progress toward strategic goals; create and direct victim advocacy programs to ensure compliance with grant deliverables and applicable state and federal law; develop fundraising and marketing strategies; participate in state and local collaborations to enhance victim services; represent program in state and federal victim service initiatives, including presentation of legislative testimony; create and present trainings for medical and legal professionals on legal standards and best practices for victim services.

**Bookkeeper: Women's Rural Entrepreneurial Network (WREN)**

**Bethlehem, NH current PT employment**

Responsible for grant fiscal tracking, reporting, funds release and account transfers, bi-weekly payroll and 941 payments, accounts payable and receivable, month end reconciliations for bank accounts, credit cards, petty cash, retail and market sales; monthly POS/QB reconciliation for three retail locations, preparing monthly cash flow, forecasts, and standard fiscal reports for Board of Directors.

**Tri-County Community Action Programs, Inc.**

**Direct Services/Volunteer Coordinator: Support Center at Burch House**

**Littleton, New Hampshire 1997 to 2007**

Provide advocacy and direct service to victims of domestic and sexual violence; supervise court advocacy programs; recruit, train and supervise staff, volunteers, and interns; develop agency systems, policies and protocols; create and present community outreach presentations and campaigns; present school-based violence prevention classes for grades K-12 ; provide on-call coverage of crisis line

**Director: Haverhill Area Juvenile Diversion Program**

**Woodsville, New Hampshire 1999-2001**

Recruit, train, and supervise volunteer diversion committees; establish community programming for diverted youth; supportive counseling of youth; maintain collaborative relationships between the court system, juvenile service officers, local police departments, and diversion program; prepare and file court reports on diverted youth; community outreach and education

**Counselor/Title I Teacher: Northern Family Institute-Jefferson Shelter**

**Jefferson, New Hampshire 1996-1999**

Provide individual supportive counseling to adjudicated youth, facilitate peer support groups, develop and implement treatment plans and case management services to clients, supervise and tutor youth in classroom setting, supervise youth in daily living skills

**Education**

**BS in Human Services, Springfield College School of Human Services, Boston, MA**

Criminal Justice Concentration, *Graduated with 4.0 GPA*

**AS in Drug and Alcohol Rehabilitation Counseling (DARC Program)**

**Southern Connecticut Community College, New Haven, CT**

**Additional Skills, Professional Leadership and Civic Affiliations**

- ◆ Chairman, Bethlehem Board of Selectmen, Town of Bethlehem. Twice Elected 2006-2010
- ◆ Chairman, Arts Alliance of Northern New Hampshire 2000-2003, *Treasurer 1996-1998*
- ◆ Chairman, Haverhill Area Family Violence Council 1998-2003
- ◆ Certified PRIME FOR LIFE Impaired Driver Intervention Program Instructor #NH16199
- ◆ Registered Sexual Harassment Prevention Trainer in the State of New Hampshire
- ◆ Board Member, Women's Rural Entrepreneurial Network 2014; *Individual Member 2008-2017*
- ◆ Bethlehem Planning Board 2010 - 2015
- ◆ Bethlehem Conservation Commission 2006 - *current*
- ◆ Granite United Way, North Country Cabinet Member 2011-2012
- ◆ TCCAP: Commendation- Division Director Award, 2011
- ◆ Bethlehem Citizen's Advisory Committee on Recycling 2007-2010
- ◆ Licensed Foster Parent, State of NH 2000-2006
- ◆ Small Business Owner : Aurora Energies 2015- *current*
- ◆ Speakeasy Trio Jazz Vocalist/ Sweet Jamm Swing Band Jazz Vocalist 1997- *current*
- ◆ Member, United States Figure Skating Association/International Skating Institute *current since 1993*

# RANDALL S. PILOTTE

rspilotte@comcast.net

## SUMMARY

Accounting professional with over 29 years of experience, of which 21 years were with a single private manufacturer. 16 years of experience managing accounting professionals. Key competencies include:

Financial Statements	Accounts Payables	Inventory	Fixed Assets
Payroll	Bank Reconciliations	Accounts Receivables	Sales/Use Tax
Budgeting	Cash Flow Management	Audits	Forecasting

## EXPERIENCE

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC., Berlin, NH

06/2013-Present

### CFO (2017 – Present)

Work closely with the CEO, Treasurer and Finance Committee to identify performance goals for the Agency and to maintain systems to monitor performance against those goals. Plan, direct, coordinate, implement and evaluate the financial management systems and activities of the Agency with a budget of \$18M.

- Prepare/provides complete and accurate financial, statistical, and accounting records for the Agency and outside regulatory agencies.
- As a member of the senior management team, assists in the formulation and execution of corporate finance policies, objectives and programs.
- Prepares program and agency budgets in conjunction with the CEO and Program Directors. Plan, direct, coordinate, implement and evaluate fiscal performance reviews of Tri-County CAPs divisions.
- Hire, train, direct and evaluate employee performance within the department; recommend promotions and salary adjustments.
- Provides supervision and direction for the Facilities Management Team, ensuring that all mortgages, leases and covenants are maintained for Tri-County CAP's facilities. Creation of five-year capital plan.
- Reviews cash flows for each division, monitor cash management practices, and monitor investments associated with each property.
- Prepared five-year debt reduction plan.

### Fiscal Director/Interim CFO (2016 – 2017)

- Direct and manage a fiscal staff of 5 and processes associated with the general ledger, payroll, and accounts payable, accounts receivable, cash receipts and fixed assets.
- Prepare and supervise the production of financial statements including Balance Sheet, Revenue and Expense Reports, and Cost Summaries on a monthly and annual basis.
- Maintain proper accounting controls on grants and contributions to ensure accurate revenue reporting and expense tracking to support periodic monitoring's by funders and auditors.
- Ensure all balance sheet, revenue and expense accounts are analyzed and reconciled periodically.
- Collaborate with Division Directors to monitor departmental revenue and expenses versus budget.
- Worked with the CFO to develop real time monthly and annual financial reporting; and implementing departmental goals.
- Prepare audit schedules for external auditors.
- Collaborate with external auditors in completing annual audit in a timely manner.

### Accounting Manager (2015-2016)

### Sr. Accountant (2013-2014)

**RANDALL PILOTTE RESUME:****KENT NUTRITION GROUP, INC. (f/k/a Blue Seal Feeds, Inc.), Londonderry, NH**

03/1989-09/2010

**Assistant Controller (2005-2010)**

- Ensured an accurate and timely monthly and year end close, consisting of the preparation of a consolidated and individual financial statement in accordance with GAAP for nine manufacturing plants and 11 retail stores with gross revenues in excess of \$200M. Additional responsibilities included preparing journal entries, account analysis, inventory review and observation, fixed assets, and depreciation.
- Managed, trained, and supervised a staff accountant responsible for ensuring accurate journal entries, inventory reconciliation, tonnage tax returns, bank reconciliations, and assignment of special projects.
- Oversaw all aspects of proprietary software, multi-state payroll system for 500 employees. Prepared all federal and state payroll tax reports, including quarterly and year-end returns, processing of W2s, and supervision of payroll clerk.
- Interfaced with 18 various banks throughout New England and Mid-Atlantic area used as depositories.
- Prepared multi-state sales/use tax returns and acted as point of contact for audits.
- Pro-actively coached and consulted plant and store management on the annual budget development process.
- Oversaw month-end accruals.
- Assisted and responded to auditors' requests on annual audit.
- Filed annual franchise and abandoned property reports with appropriate states.

**Accounting Manager (1999-2005)**

Supported the Corporate Controller's initiatives by providing supervision and oversight to the Accounting function. Supervised and trained two accounts payable clerks on Chart of Accounts, Accounts Payable, timely and accurate processing and payment of vendor's invoices, employee travel reimbursements, and standard accounting practices.

**Accountant/Payroll Supervisor (1994-1999)****Accountant (1989-1994)****NORTHERN TELECOM, INC., Concord, NH**

05/1987-03/1989

**Associate Results Accountant (1988-1989)****Accounts Payable (1987-1988)****E D U C A T I O N****Bachelor of Science, Accounting, FRANKLIN PIERCE COLLEGE, Concord, NH**

# REGAN L. PRIDE

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## SUMMARY

My experience spans the fields of engineering, computer technology, education, and public administration. In each of these environments I have had hands-on involvement in computer usage, support, and IT decision making. This unique combination brings a wide array of knowledge and skills to the table for your organization. I am a team player, a patient trainer, and adept at interpersonal relations.

## RELEVANT KNOWLEDGE AND SKILL AREAS

- Confidence in public speaking for business and technical applications, and instructional settings
- Strong writing skills and interpersonal communication skills, ability to teach others, and build consensus
- Approachable, warm and personable style in teaching classes and interacting with colleagues
- Robust education in mathematics, engineering and general science topics
- Familiar with H.232 videoconferencing systems
- Fluency with entire Microsoft Office application suite.
- Fluency with AutoCAD computer-aided drafting software
- Familiarity with ArcView GIS software.
- Familiar with Avante Enterprise Resource Planning software
- Familiar with BMSI fund accounting and Avitar assessing/tax billing software
- Adept at Macromedia/Adobe Dreamweaver MX web site design software

## WORK EXPERIENCE

TRI-COUNTY COMMUNITY ACTION PROGRAM, Berlin, NH

TITLE: Chief Operations Officer, March 2018-present

Supervisor for Weatherization, Energy Assistance & Elder Services, IT, Head Start, and Transportation programs. Responsible for overseeing daily operations of the agency. Closely involved with agency budgeting activities. Reports to the CEO.

NORTH COUNTRY COUNCIL REGIONAL PLANNING COMMISSION, Littleton, NH

TITLE: Planner, 2012-2013 + 2015-2018

Conducted "Full Cost Accounting" studies of municipal solid waste department operations as part of USDA Rural Development grant project. Also organized study groups on the topics of medicine disposal and household hazardous waste disposal. Created pilot programs to reduce & divert food waste from landfills in 4 communities. Assisted in compilation of the Fair Housing Equity Assessment component of regional plan update under the Granite State Future project grant.

2013-2014

INNOVATIVE STRUCTURAL BUILDING PRODUCTS

TITLE: **Project Manager**

Performed a variety of functions including business plan preparation and product development associated with a start-up company in the engineered wood sheathing industry. I created engineering drawings, built and tested prototypes, and assisted in marketing activities.

2000 – Present

ICANTOO ENTERPRISES, Lisbon, NH

TITLE: **Owner, Computer Applications Consulting**

Assistance and training with business and technical applications. Created customized solutions involving AutoCAD, MS Word, MS Excel, MS Access software applications. I also perform web site HTML and CGI development, hardware setup, upgrades, and troubleshooting.

Recent clients/projects include:

- New England Electric Wire Corp – Implementation of Avante MRP & APS scheduling software, computerized WIP labeling system, computer workstation installations, user/operator training.
- Littleton, NH Senior Softball League – custom programming and support of statistical software
- Louisiana Corporate Credit Union – Web site design and maintenance.

2006 – 2012

TOWN OF LISBON, NH, Lisbon, NH

TITLE: **Town Administrator, CPM**

Prepared annual town budgets and performed presentations at budget hearings and town meeting. Prepared annual financial reports (MS-2, MS-4, MS-6) for the town. Generated tax warrants, and water/sewer warrants. Analyzed water/sewer revenues and developed rate structure to balance department's budget. Performed the functions of financial administration, personnel management, grant administration, welfare administration, emergency management, and project management.

2004 – 2006

NEW ENGLAND CATHETER CORPORATION, Lisbon, NH

(Subsidiary of New England Wire Technologies)

TITLE: **Engineer, Medical Products**

- Performed process engineering support in the manufacture of wire-reinforced medical tubing including; equipment specification, process/procedure development, tooling design, and statistical data analysis.
- Developed customized spreadsheets for product design, and manufacturing process control.
- I was also employed with the parent company as an engineer/CAD operator from 1990 to 2000. While in this capacity, I led personal computer users groups, installed the first Ethernet network in the company engineering department, and developed computer file management systems and backup routines.

2002 – 2004

SCHOOL ADMINISTRATIVE UNIT 35, Littleton, NH

TITLE: **Distance Learning Coordinator**

This position involved collaboration with teachers and staff to develop interactive educational programs utilizing distance learning/videoconferencing technology. Programs were distributed between three high school campuses. Duties included setup, configuration, operation and maintenance of videoconferencing endpoints, and operation of bridge/gateway at central office. I served as webmaster for SAU website. I also performed various computer support duties.

## **EDUCATION/CERTIFICATIONS**

NH Bureau of Education and Training  
CPM Certificate (Certified Public Manager)

University of California at Berkeley, Engineering Department  
92 semester credits in Mechanical Engineering Major

## **CONTINUING EDUCATION**

- NH Certified Public Supervisor program
- Radvision H.232 technician course
- Six Sigma process control course by Boston Scientific Corp.
- Extrusion Theory course at University of Massachusetts, Lowell

## **PROFESSIONAL & CIVIC ASSOCIATIONS**

- Board of Directors, North Country Council Regional Planning Commission, Bethlehem, NH; 2007-present. Served as chairman in 2011.
- Grafton-Coos Regional Coordinating Council (for public transit); Littleton, NH; 2009-2012
- Member of NHMMA, NHGFOA, NHLWAA – 2006-2012
- Board of Selectman, Lisbon, NH March 2000-2006. Served as chairman from 2002 to 2006.
- Board of Directors, Lisbon Main Street, Inc., Lisbon, NH; 2008-2012;
- Economic Restructuring Committee of Lisbon Main Street, Inc., 2002-present; chair since Oct. 2009
- Member of Granite State Distance Learning Network, 2002-2004

## **REFERENCES**

Professional references shall be produced upon request and presented at time of interview.

**CONTRACTOR NAME**

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Jeanne Robillard	Chief Executive Officer	115,000 base	100%	166,366 (fully loaded)
Randall Pilotte	Chief Financial Officer	75,000	0%	
Regan Prude	Chief Operating Officer	70,000	0%	