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Lori A. Shibinette
Commissioner

Karen E. Hebert
Director

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

January 26, 2022

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, Division of Economic and Housing Stability, to amend an existing contract with Southwestern Community Services, Inc. (VC#177511-R001), Keene, NH, for the ongoing provision of Permanent Housing and Supportive Services through the Federal Continuum of Care Program to individuals and families who are experiencing homelessness, by increasing the price limitation by $219,951 from $430,378 to $650,329 and by extending the completion date from July 31, 2022 to July 31, 2023, effective August 1, 2022, or upon Governor and Council approval, whichever is later. 100% Federal Funds.

The original contract was approved by Governor and Council on March 25, 2020, item #8, amended with Governor and Council approval on November 18, 2020, item #18, and most recently amended on July 14, 2021, item #10.

Funds are available in the following account for State Fiscal Years 2022 and 2023, and are anticipated to be available in State Fiscal Year 2024, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

05-95-42-423010-79270000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING – SHELTER PROGRAM

State Fiscal Year	Class / Account	Class Title	Job Number	Current Budget	Increased (Decreased) Amount	Revised Budget
2020	102-500731	Contracts for Prog Svc	TBD	$22,448	$0	$22,448
2021	102-500731	Contracts for Prog Svc	TBD	$173,518	$0	$173,518
2022	102-500731	Contracts for Prog Svc	TBD	$14,461	$0	$14,461
2022	074-500589	Grants for Pub Asst and Relief	TBD	$201,622	$0	$201,622
2023	074-500589	Grants for Pub Asst and Relief	TBD	$18,329	$201,622	$219,951
2024	074-500589	Grants for Pub Asst and Relief	TBD	$0	$18,329	$18,329
			Total	**$430,378**	**$219,951**	**$650,329**

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EXPLANATION

The purpose of this request is to continue providing a Permanent Supportive Housing program that delivers rental assistance, service access and supportive services to individuals and families who are experiencing homelessness. The Department is seeking to extend the contract beyond the completion date and available contract renewal options in response to a directive from the U.S. Department of Housing and Urban Development, Federal Fiscal Year 2021 Notice of Funding Opportunity, to provide an additional one (1) year of funding to the Contractor for this specific Continuum of Care grant project.

Approximately thirteen (13) households will be served annually.

Using the federally required Housing First model, the Contractor develops Stabilization and Crisis Management plans and facilitates each participant's relocation to sustained permanent housing. Additionally, the Contractor works to maximize each participant's ability to live more independently by providing connections to community and mainstream services.

The Department will monitor services by:

- Conducting annual reviews relating to compliance with administrative rules and contractual agreements.
- Reviewing semi-annual statistical reports, including various demographic information, as well as income and expense reports, to include match dollars.
- Reviewing data entered into the New Hampshire Homeless Management Information System, which is the primary reporting tool for outcomes and activities of shelter and housing programs.

Should the Governor and Council not authorize this request, there will be fewer permanent housing options and supportive services available, leaving vulnerable individuals and families experiencing homelessness in unsafe situations without needed support. Additionally, the Department will be out of compliance with federal regulations, which could result in a loss of federal funding for these and other types of permanent housing and supportive service programs.

Area served: Cheshire and Sullivan Counties.

Source of Federal Funds: Assistance Listing Number #14.267, FAIN # NH0092L1T00(TBD)

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

Respectfully submitted,

Lori A. Shibinette
Commissioner

State of New Hampshire
Department of Health and Human Services
Amendment #3

This Amendment to the Continuum of Care, SCS Next Steps Permanent Housing Program contract is by and between the State of New Hampshire, Department of Health and Human Services ("State" or "Department") and Southwestern Community Services, Inc. ("the Contractor").

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on March 25, 2020 (Item #8), as amended on November 18, 2020 (Item #18) and as most recently amended on July 14, 2021, (Item #10), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, Section 2., Renewal, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to extend the term of the agreement, increase the price limitation, or modify the scope of services to support continued delivery of these services; and

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

1. Form P-37 General Provisions, Block 1.7, Completion Date, to read:
   July 31, 2023

2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
   $650,329

3. Modify Exhibit A – Amendment #1, Scope of Services, Section 1, Provisions Applicable to all Services, by adding Subsection 1.11., to read:

   1.11. The Contractor shall facilitate file reviews conducted by the Department onsite or remotely, as determined by the Department, on an annual basis, or as otherwise requested by the Department, which may include, but are not limited to, participant files and financial data.

4. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 1. Permanent Housing Program Funding, Subsection 1.2., Paragraph 1.2.3., by adding Subparagraph 1.2.3.6, to read:

   1.2.3.6. NH0092L1T00(TBD) (SFY 2023; August 1, 2022 - June 30, 2023)

5. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 1. Permanent Housing Program Funding, Subsection 1.2., Paragraph 1.2.3., by adding Subparagraph 1.2.3.7, to read:

   1.2.3.7. NH0092L1T00(TBD) (SFY 2024; July 1, 2023 - July 31, 2023)

6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 1. Permanent Housing Program Funding, Subsection 1.2., Paragraph 1.2.4., to read:

   1.2.4. Total Amount Continuum of Care;

   1.2.4.1. April 1, 2020 - July 31, 2023, not to exceed the amount specified in Form P-37, General Provisions, Block 1.8., Price Limitation.

7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 1. Permanent Housing Program Funding, Subsection 1.2., Paragraph 1.2.5, to read:

   1.2.5. Funds allocation under this agreement for the Continuum of Care Program:

		April 1, 2020 - June 30, 2020	**July 1, 2020 - June 30, 2021**	**July 1, 2021 - July 31, 2021**	**August 1, 2021 - June 30, 2022**	**July 1, 2022 - July 31, 2022**	**August 1, 2022 - June 30, 2023**	**July 1, 2023 - July 31, 2023**
1.2.5.1.	Operations:	$13,670	$131,982	$10,999	$152,327	$13,848	$152,327	$13,848
1.2.5.2.	Supportive Services:	$8,235	$37,509	$3,126	$44,798	$4,072	$44,798	$4,072
1.2.5.3.	Admin. Expenses:	$543	$4,027	$336	$4,497	$409	$4,497	$409
1.2.5.4.	**Total Amount:**	**$22,448**	**$173,518**	**$14,461**	**$201,622**	**$18,329**	**$201,622**	**$18,329**
1.2.5.5.	Vendor Match (25%):	$5,747	$44,387	$3,699	$51,530	$4,684	$51,530	$4,684

8. Add Exhibit B-2 Amendment #3 Budget, which is attached hereto and incorporated by reference herein.

Contractor Initials DS BD
Date 2/2/2022

All terms and conditions of the Contract and prior amendments not modified by this Amendment remain in full force and effect. This Amendment shall be effective August 1, 2022, or upon Governor and Council approval, whichever is later.

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

State of New Hampshire
Department of Health and Human Services

2/2/2022
Date

DocuSigned by:
Karen Hebert
824C8CEB1B4A415...
Name: Karen Hebert
Title: Division Director

Southwestern Community Services, Inc.

2/2/2022
Date

DocuSigned by:
Beth Daniels
9E577DEFB4EE465...
Name: Beth Daniels
Title: Chief Executive Officer

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

OFFICE OF THE ATTORNEY GENERAL

2/3/2022

Date

DocuSigned by:
Robyn Guarino
748734844941460

Name: Robyn Guarino
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

Exhibit B-2 Amendment #3 Budget

SCS - Next Steps
CoC Funds - NH0092L1T00(TBD)

	SFY2023 - 8/1/22-6/31/23								
	TOTAL PROGRAM COST			CONTRACTOR SHARE			BHS SHARE		
Activity Name	BUDGET	YTD	MONTHLY	BUDGET	YTD	MONTHLY	BUDGET	YTD	MONTHLY
Operations	$ 152,327	$ -	$ -	$ -	$ -	$ -	$ 152,327	$ -	$ -
Supportive Services	$ 44,798	$ -	$ -	$ -	$ -	$ -	$ 44,798	$ -	$ -
Administration	$ 4,497	$ -	$ -	$ -	$ -	$ -	$ 4,497	$ -	$ -
25% Required Match	$ 51,530	$ -	$ -	$ 51,530		$ -	$ -	$ -	$ -
TOTAL HUD FUNDS/BALANCE	$ 253,152	$ -	$ -	$ 51,530	$ -	$ -	$ 201,622	$ -	$ -

	SFY2024 - 7/1/23-7/31/23								
	TOTAL PROGRAM COST			CONTRACTOR SHARE			BHS SHARE		
Activity Name	BUDGET	YTD	MONTHLY	BUDGET	YTD	MONTHLY	BUDGET	YTD	MONTHLY
Operations	$ 13,848	$ -	$ -	$ -	$ -	$ -	$ 13,848	$ -	$ -
Supportive Services	$ 4,072	$ -	$ -	$ -	$ -	$ -	$ 4,072	$ -	$ -
Administration	$ 409	$ -	$ -	$ -	$ -	$ -	$ 409	$ -	$ -
25% Required Match	$ 4,684	$ -	$ -	$ 4,684		$ -	$ -	$ -	$ -
TOTAL HUD FUNDS/BALANCE	$ 23,013	$ -	$ -	$ 4,684	$ -	$ -	$ 18,329	$ -	$ -

	TOTAL - 8/1/22-7/31/23								
	TOTAL PROGRAM COST			CONTRACTOR SHARE			BHS SHARE		
Activity Name	BUDGET	YTD	MONTHLY	BUDGET	YTD	MONTHLY	BUDGET	YTD	MONTHLY
Operations	$ 166,175	$ -	$ -	$ -	$ -	$ -	$ 166,175	$ -	$ -
Supportive Services	$ 48,870	$ -	$ -	$ -	$ -	$ -	$ 48,870	$ -	$ -
Administration	$ 4,906	$ -	$ -	$ -	$ -	$ -	$ 4,906	$ -	$ -
25% Required Match	$ 56,214	$ -	$ -	$ 56,214		$ -	$ -	$ -	$ -
TOTAL HUD FUNDS/BALANCE	$ 276,165	$ -	$ -	$ 56,214	$ -	$ -	$ 219,951	$ -	$ -

Total W/O Match $ 219,951

Contractor Initials BD

Date 2/2/2022

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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 registered to transact business in New Hampshire on May 19, 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: **65514**

Certificate Number: **0005339790**

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. 2021.

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Kevin Watterson, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected ~~Clerk/Secretary~~/Officer of Southwestern Community Services, Inc.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on June 18, 2021, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Beth Daniels, CEO (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Southwestern Community Services, Inc. to enter into contracts or agreements
(Name of Corporation/ LLC)

with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 1/31/2022

Kevin A. Watterson
Signature of Elected Officer
Name: Kevin Watterson
Title: Chairperson

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ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 06/23/2021

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).

PRODUCER
Clark Mortenson Insurance
PO Box 606
Keene NH 03431

CONTACT NAME: Ana O'Donnell, CPIW, CIC
PHONE (A/C, No, Ext): (603) 352-2121 FAX (A/C, No): (603) 357-8491
E-MAIL ADDRESS: aodonnell@clark-mortenson.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Philadelphia Indemnity Insurance Co.	18058
INSURER B: Maine Employers Mut Ins Co	11149
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
Southwestern Comm Services Inc
PO Box 603
Keene NH 03431

COVERAGES CERTIFICATE NUMBER: 21/22 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	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC OTHER:			PHPK2291636	06/30/2021	06/30/2022	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 [X] ANY AUTO OWNED AUTOS ONLY [ ] SCHEDULED AUTOS HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY			PHPK2291641	06/30/2021	06/30/2022	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	[X] UMBRELLA LIAB [X] OCCUR EXCESS LIAB [ ] CLAIMS-MADE DED [X] RETENTION $ 0			PHUB773640	06/30/2021	06/30/2022	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) Y/N [N] If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		3102800768	04/01/2021	04/01/2022	[X] PER STATUTE [ ] OTH-ER	
							E.L. EACH ACCIDENT	$ 500,000
							E.L. DISEASE - EA EMPLOYEE	$ 500,000
							E.L. DISEASE - POLICY LIMIT	$ 500,000

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

Workers Compensation laws apply for the state of: NH
All Officers are included

CERTIFICATE HOLDER

Department of Health & Human Services Bureau of Contracts &
129 Pleasant Street
Concord NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Vision Statement

Southwestern Community Services

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.

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Mission Statement

Southwestern Community Services

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**.

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.

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Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2021 AND 2020
AND
INDEPENDENT AUDITORS' REPORTS AND
REPORTS ON COMPLIANCE AND INTERNAL CONTROL

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SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2021 AND 2020

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Leone, McDonnell & Roberts
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS
WOLFEBORO • NORTH CONWAY
DOVER • CONCORD
STRATHAM

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 statement of financial position as of May 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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 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.

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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, 2021, and the changes in their net assets and their cash flows for the year 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' 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 5, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2020, 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 schedules 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 Schedules 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 October 22, 2021, 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

October 22, 2021
Wolfeboro, New Hampshire

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MAY 31, 2021 AND 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	$ 1,722,941	$ 1,400,153
Accounts receivable, net	1,781,636	1,201,132
Prepaid expenses	62,628	57,168
Notes receivable	2,357	2,357
Total current assets	3,569,562	2,660,810
PROPERTY		
Land and buildings	28,937,986	19,243,210
Vehicles and equipment	565,380	541,236
Furniture and fixtures	934,441	271,753
Total property	30,437,807	20,056,199
Less accumulated depreciation	14,621,952	8,557,576
Property, net	15,815,855	11,498,623
OTHER ASSETS		
Investment in related parties	138,001	198,492
Due from related parties	55,138	59,067
Cash escrow and reserve funds	1,471,741	809,897
Security deposits	105,790	69,767
Other assets	384	384
Total other assets	1,771,054	1,137,607
Total assets	$ 21,156,471	$ 15,297,040

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 240,586	$ 160,672
Accrued expenses	170,074	87,023
Accrued payroll and payroll taxes	244,003	228,394
Other current liabilities	148,854	149,154
Refundable advances	729,955	290,437
Current portion of long term debt	142,174	125,324
Total current liabilities	1,675,646	1,041,004
NONCURRENT LIABILITIES		
Long term debt, less current portion shown above	11,300,411	8,905,857
Economic Injury Disaster Loan	150,000	-
Paycheck Protection Program loan	-	439,070
Total noncurrent liabilities	11,450,411	9,344,927
Total liabilities	13,126,057	10,385,931
NET ASSETS		
Without donor restrictions	7,815,065	4,766,637
With donor restrictions	215,349	144,472
Total net assets	8,030,414	4,911,109
Total liabilities and net assets	$ 21,156,471	$ 15,297,040

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2021
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
REVENUES AND OTHER SUPPORT				
Government contracts	$ 14,451,497	$ -	$ 14,451,497	$ 10,619,721
Program service fees	2,708,902	-	2,708,902	2,605,816
Rental income	1,657,741	-	1,657,741	1,165,032
Developer fee income	-	-	-	1,508
Support	465,614	136,024	601,638	593,610
Sponsorship	21,703	-	21,703	26,546
Interest income	1,402	-	1,402	9,224
Forgiveness of debt	518,501	-	518,501	79,338
Miscellaneous	239,096	-	239,096	148,113
In-kind contributions	65,414	-	65,414	167,553
Total revenues and other support	20,129,870	136,024	20,265,894	15,416,461
NET ASSETS RELEASED FROM RESTRICTIONS	65,147	(65,147)	-	-
Total revenues, other support, and net assets released from restrictions	20,195,017	70,877	20,265,894	15,416,461
EXPENSES				
Program services				
Home energy programs	5,559,497	-	5,559,497	5,153,989
Education and nutrition	2,629,099	-	2,629,099	2,687,612
Homeless programs	5,516,502	-	5,516,502	2,060,655
Housing services	2,913,953	-	2,913,953	2,433,660
Economic development services	621,784	-	621,784	737,663
Other programs	750,430	-	750,430	775,342
Total program services	17,991,265	-	17,991,265	13,848,921
Supporting activities				
Management and general	1,948,672	-	1,948,672	1,761,642
Total expenses	19,939,937	-	19,939,937	15,610,563
CHANGE IN NET ASSETS BEFORE LOSS ON SALE OF PROPERTY	255,080	70,877	325,957	(194,102)
LOSS ON SALE OF PROPERTY	-	-	-	(140)
LOSS ON INVESTMENT IN LIMITED PARTNERSHIPS	(60,897)	-	(60,897)	(236)
CHANGE IN NET ASSETS	194,183	70,877	265,060	(194,478)
NET ASSETS, BEGINNING OF YEAR	4,766,637	144,472	4,911,109	5,105,587
NET ASSETS TRANSFERRED FROM LIMITED PARTNERSHIPS	2,854,245	-	2,854,245	-
NET ASSETS, END OF YEAR	$ 7,815,065	$ 215,349	$ 8,030,414	$ 4,911,109

See Notes to Consolidated Financial Statements

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SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2021

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2021 Total
Payroll	$ 486,387	$ 1,518,514	$ 491,084	$ 725,103	$ 350,843	$ 439,136	$ 4,011,067	$ 752,116	$ 4,763,183
Payroll taxes	25,674	106,568	37,005	43,514	30,248	33,024	276,033	120,497	396,530
Employee benefits	171,270	381,988	144,229	263,870	55,553	180,793	1,197,703	46,508	1,244,211
Retirement	32,604	85,776	24,671	51,308	20,760	14,238	229,357	66,965	296,322
Advertising	-	3,100	386	1,295	1,638	-	6,419	133	6,552
Bank charges	10	-	1,130	4,109	-	11	5,260	8,766	14,026
Computer cost	225	28,110	12,051	7,765	16,171	-	64,322	183,132	247,454
Contractual	1,007,401	12,804	42,954	61,431	680	48,737	1,174,007	59,518	1,233,525
Depreciation	-	26,438	117,967	603,938	-	7,620	755,963	153,192	909,155
Dues/registration	-	2,290	-	320	543	-	3,153	8,619	11,772
Duplicating	69	8,160	-	-	-	-	8,229	4,588	12,817
Insurance	5,539	15,035	33,483	57,881	15,298	6,890	134,126	43,490	177,616
Interest	-	5,955	5,983	48,121	-	1,690	61,749	113,918	175,667
Meeting and conference	-	-	-	840	154	133	1,127	1,637	2,764
Miscellaneous expense	2,863	-	1,242	82,239	9,546	1,359	97,249	2,675	99,924
Miscellaneous taxes	-	-	-	101,224	-	-	101,224	300	101,524
Equipment purchases	386	3,330	-	6,521	-	-	10,237	2,808	13,045
Office expense	19,084	17,479	60,872	11,834	2,568	749	112,586	49,579	162,165
Postage	300	368	126	37	348	-	1,179	31,999	33,178
Professional fees	1,050	-	3,300	38,627	-	-	42,977	81,034	124,011
Staff development and training	3,406	1,327	165	2,488	614	1,185	9,185	17,341	26,526
Subscriptions	-	-	-	98	-	-	98	2,767	2,865
Telephone	2,429	3,106	20,692	18,872	2,299	1,117	48,515	47,535	96,050
Travel	6,104	12,328	7,212	9,515	16,338	-	51,497	5,675	57,172
Vehicle	6,147	4,170	1,748	41,329	35,941	9,852	99,187	3,912	103,099
Rent	-	24,659	-	-	21,112	-	45,771	-	45,771
Space costs	-	122,478	384,093	718,703	16,731	114	1,242,119	139,968	1,382,087
Direct client assistance	3,788,549	179,702	4,126,109	12,971	24,399	3,782	8,135,512	-	8,135,512
In-kind expenses	-	65,414	-	-	-	-	65,414	-	65,414
TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION	5,559,497	2,629,099	5,516,502	2,913,953	621,784	750,430	17,991,265	1,948,672	19,939,937
Allocation of management and general expenses	602,161	284,763	597,504	315,616	67,347	81,281	1,948,672	(1,948,672)	-
TOTAL FUNCTIONAL EXPENSES	$ 6,161,658	$ 2,913,862	$ 6,114,006	$ 3,229,569	$ 689,131	$ 831,711	$ 19,939,937	$ -	$ 19,939,937

See Notes to Consolidated Financial Statements

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SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2020

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and and General	2020 Total
Payroll	$ 467,456	$ 1,374,787	$ 335,905	$ 735,214	$ 435,177	$ 424,014	$ 3,772,553	$ 731,826	$ 4,504,379
Payroll taxes	36,287	107,590	25,566	56,083	35,147	32,738	293,411	55,964	349,375
Employee benefits	135,770	412,407	121,495	271,770	85,902	193,929	1,221,273	45,011	1,266,284
Retirement	29,265	71,941	19,791	58,108	21,016	13,973	214,094	64,115	278,209
Advertising	728	3,084	83	2,632	3,999	2,100	12,626	591	13,217
Bank charges	4	-	17	4,117	-	54	4,192	7,456	11,648
Bad debt expense	-	45	195	-	-	-	240	4,000	4,240
Computer cost	-	28,124	5,538	8,120	15,541	-	57,323	166,243	223,566
Contractual	776,055	18,582	13,624	27,752	2,719	74,250	912,982	41,190	954,172
Depreciation	-	27,369	108,291	368,399	-	10,913	512,972	150,280	663,252
Dues/registration	-	977	-	495	468	-	1,940	9,720	11,660
Duplicating	-	7,480	-	-	-	-	7,480	5,684	13,164
Insurance	6,667	13,010	24,560	56,680	14,271	5,968	121,156	36,841	157,997
Interest	-	7,198	7,527	36,985	-	-	51,710	114,881	166,591
Meeting and conference	457	1,042	262	4,913	1,118	2,029	9,821	13,879	23,700
Miscellaneous expense	3,543	1,597	60	44,189	4,722	163	54,274	18,105	72,379
Miscellaneous taxes	-	-	-	61,942	-	-	61,942	200	62,142
Equipment purchases	24,948	1,646	-	6,426	-	-	33,020	30	33,050
Office expense	20,017	8,744	8,002	9,148	10,480	33	54,424	24,136	78,560
Postage	240	261	123	189	252	-	1,065	24,447	25,512
Professional fees	2,045	-	3,200	28,718	-	706	34,669	89,175	123,844
Staff development and training	-	2,135	648	1,208	415	3,088	7,494	2,787	10,281
Subscriptions	-	-	-	95	-	-	95	1,801	1,896
Telephone	2,283	1,968	17,624	17,959	3,179	1,166	44,179	41,601	85,780
Travel	6,792	16,310	12,602	7,545	30,585	15	73,849	3,031	76,880
Vehicle	3,902	5,121	5,574	30,678	36,849	9,696	91,820	8,202	100,022
Rent	-	25,570	-	-	-	-	25,570	-	25,570
Space costs	-	174,312	352,469	583,375	2,699	89	1,112,944	100,446	1,213,390
Direct client assistance	3,637,530	208,759	999,499	12,920	33,124	418	4,892,250	-	4,892,250
In-kind expenses	-	167,553	-	-	-	-	167,553	-	167,553
TOTAL FUNCTIONAL EXPENSES BEFORE GENERAL AND MANAGEMENT ALLOCATION	5,153,989	2,687,812	2,060,855	2,433,660	737,663	775,342	13,848,921	1,761,642	15,610,563
Allocation of management and general expenses	655,609	341,876	262,124	309,572	93,834	98,627	1,761,642	(1,761,642)	-
TOTAL FUNCTIONAL EXPENSES	$ 5,809,598	$ 3,029,488	$ 2,322,779	$ 2,743,232	$ 831,497	$ 873,969	$ 15,610,563	$ -	$ 15,610,563

See Notes to Consolidated Financial Statements

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SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 265,060	$ (194,478)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	909,155	663,252
Loss on disposal of property	-	140
Loss on investment in limited partnerships	60,897	236
Forgiveness of debt	(518,501)	(79,338)
Decrease (increase) in assets:		
Accounts receivable	(580,504)	42,337
Prepaid expenses	31,348	(5,446)
Interest receivable	-	45,547
Due from related parties	3,929	35
Security deposits	(2,242)	(6,771)
(Decrease) increase in liabilities:		
Accounts payable	22,045	(230,941)
Accrued expenses	36,929	(32,597)
Accrued payroll and payroll taxes	15,609	(5,506)
Other current liabilities	(300)	10,414
Refundable advances	439,518	109,443
Interest payable	-	(49,547)
NET CASH PROVIDED BY OPERATING ACTIVITIES	682,943	266,780
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property	(432,400)	(136,174)
NET CASH USED IN INVESTING ACTIVITIES	(432,400)	(136,174)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term debt	85,000	36,679
Repayment of long term debt	(272,062)	(127,826)
Proceeds from Economic Injury Disaster Loan	150,000	-
Proceeds from Paycheck Protection Program	-	439,070
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(37,062)	347,923
NET INCREASE IN CASH AND RESTRICTED CASH	213,481	478,529
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	2,210,050	1,731,521
CASH AND RESTRICTED CASH TRANSFERRED FROM LIMITED PARTNERSHIPS	771,151	-
CASH AND RESTRICTED CASH, END OF YEAR	$ 3,194,682	$ 2,210,050

See Notes to Consolidated Financial Statements

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SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED MAY 31, 2021 AND 2020

	2021	2020
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 175,005	$ 165,929
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Property financed by long term debt	$ 787,599	$ -
Transfer of assets from newly consolidated LPs:		
Prepaid expenses	$ 36,807	$ -
Land and buildings	3,382,003	-
Furniture and fixtures	624,491	-
Security deposits	33,781	-
Total transfer of assets from newly consolidated LPs	$ 4,077,082	$ -
Transfer of liabilities from newly consolidated LPs:		
Accounts payable	$ 57,865	$ -
Accrued expenses	46,122	-
Due to related parties	-	-
Long term debt	1,890,298	-
Total transfer of liabilities from newly consolidated LPs	$ 1,994,285	$ -
Total partners' capital from newly consolidated LPs	$ 2,853,948	$ -
Partners' capital previously recorded as investment in related parties	297	-
Total transfer of partners' capital from newly consolidated LPs	$ 2,854,245	$ -

See Notes to Consolidated Financial Statements

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Southwestern Community Services, Inc. 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 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.

Principles of Consolidation

The consolidated financial statements include the accounts of Southwestern Community Services, Inc. and the following entities (collectively the Organization) 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)
- 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)
- Swanzey Township Housing Associates, Limited Partnership (Swanzey)
- Snow Brook Meadow Village Housing Associates, Limited Partnership (Snow Brook)
- Keene Highland Housing Associates, Limited Partnership (Keene Highland)
- Warwick Meadow Housing Associates, Limited Partnership (Warwick)

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The consolidated financial statements of the Organization have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The consolidated financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications. The classes of net assets are determined by the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

As of May 31, 2021 and 2020, the Organization had net assets without donor restrictions and with donor restrictions.

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, 2020 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.

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position that sum to the total in the statements of cash flows as of May 31:

	2021	2020
Cash, operations	$ 1,722,941	$ 1,400,153
Cash escrow and reserve funds	1,471,741	809,897
Total cash and restricted cash	$ 3,194,682	$ 2,210,050

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, 2021 and 2020. The Organization has no policy for charging interest on overdue accounts.

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2021 and 2020, approximately 71% and 69%, 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, 2021 and 2020 totaled $909,155 and $663,252, respectively.

Advertising

The Organization expenses advertising costs as incurred.

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 available for the May 31, 2021 and 2020 tax returns totaling $1,230,191 and $1,135,222, 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 $542 and $555 at May 31, 2021 and 2020, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2022. SCS Housing Development, Inc. has federal net operating loss carryforwards totaling $59,861 and $35,574 at May 31, 2021 and 2020, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2035.

The tax effects of the carryforwards as related to deferred tax assets is as follows as of May 31, 2021 and 2020:

	2021	2020
Tax benefit from loss carryforwards	$271,025	$246,404
Valuation allowance	(271,025)	(246,404)
Deferred tax asset	$ -	$ -

Drewsville, Troy Senior, Winchester, Keene East Side, Swanzey, Snow Brook, Keene Highland, and Warwick 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 and has concluded that no additional provision for income taxes is necessary in the Organization's financial statements.

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 with donor restrictions 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 without donor restrictions.

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Program Service Revenue
Program service revenue is recognized as revenue when the services are performed.

Rental Revenue
The Organization derives revenues from the rental of apartment units. Revenues are recognized as income, monthly, when rents become due and control of the apartment units is transferred to the lessees. The individual leases are for a term of one year and are cancelable by the tenants. Control of the leased units is transferred to the lessee in an amount that reflects the consideration the Partnership expects to be entitled to in exchange for the leased units. The cost incurred to obtain a lease will be expensed as incurred.

Performance Obligations and Contract Assets and Liabilities
The performance obligations related to the lease contracts and program services are satisfied at a point in time. Revenue from performance obligations satisfied at a point in time consist of monthly rental payments and fees for program services. There are no contract assets or liabilities for the years ended May 31, 2021 and 2020.

New Accounting Pronouncement

In May 2014, FASB issued ASU 2014-09 (Topic 606) – Revenue from Contracts with Customers. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue from cash flows arising from contracts with customers. The Organization adopted the new standard effective June 1, 2020, the first day of the Organization's fiscal year using the modified retrospective approach. The adoption did not result in a change to the accounting for any of the applicable revenue streams; as such, no cumulative effect adjustment was recorded. See revenue recognition policy above.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Natural expenses are defined by their nature, such as salaries, rent, supplies, etc. Functional expenses are classified by the type of activity for which expenses are incurred, such as management and general and direct program costs. Expenses are allocated by function using a reasonable and consistent approach that is primarily based on function and use.

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses (continued)

The costs of providing certain program and supporting services have been directly charged.

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 indirect cost rate is 12% effective from June 1, 2019 through May 31, 2022.

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 or at a floor rate of 4%. The line is secured by all the Organization's assets. As of May 31, 2021 and 2020, the interest rate was 4%. There was no outstanding balance at May 31, 2021 and 2020.

NOTE 3 LONG TERM DEBT

The long term debt at May 31, 2021 and 2020 consisted of the following:

	2021	2020
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).	$ 127,000	$ 136,370
Non-interest bearing mortgage payable to Community Development Finance Authority, in quarterly principal payments based on an 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).	27,589	29,589
5.25% note payable to a bank in monthly installments for principal and interest of $988 through March 2021. The note was paid in full during the year ended May 31, 2021. The note was secured by real estate of the Organization (People's United Bank, Ashuelot).	-	9,652

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NOTE 3 LONG TERM DEBT (continued)

	2021	2020
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).	242,708	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).	376,066	376,363
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, 2019, 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).	112,702	130,230
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).	2,134,970	2,175,749
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

NOTE 3 LONG TERM DEBT (continued)

	2021	2020
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 4.67% at May 31, 2021 and 2020. The note is secured by real estate of the Organization (TD Bank, Keene Office/Community Way).	376,617	389,578
5.19% note payable to a bank in monthly installments for principal and interest of $889 through May 2021. The note was paid in full during the year ended May 31, 2021. The note was secured by real estate of the Organization (TD Bank, 45 Central Street).	-	88,433
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).	75,000	100,000
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).	45,000	60,000

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NOTE 3 LONG TERM DEBT (continued)

	2021	2020
Non-interest bearing note payable to New Hampshire Housing 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).	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).	311,808	328,219
Non-interest bearing note payable to a county in New Hampshire, relating to an agreement between the City of Keene and SCS for the purpose of renovating Keene shelters. In total, SCS will receive $472,000 from CDBG. SCS will receive the funds as progress is made. The note is secured by real estate of the Organization and will be fully forgiven providing the facility serves low- and moderate-income individuals for 20 years (CDBG, Keene Shelter).	326,899	9,500
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).	7,815	12,637
6.54% note payable to a finance company in monthly installments for principal and interest of $442 through November 2023. The note was paid in full during the year ended May 31, 2021. The note was secured by a vehicle (Ally, GMC Acadia).	-	15,903
2.99% note payable to a bank in monthly installments for principal and interest of $820 through May 2031. The note is secured by real estate of the Organization (Savings Bank of Walpole, 45 Central Street).	84,395	-

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NOTE 3 LONG TERM DEBT (continued)

	2021	2020
Non-interest bearing note payable to a county in New Hampshire, relating to an agreement between the City of Keene and SCS for the purpose of renovating Keene shelters. In total, SCS will receive $472,000 from CDBG. SCS will receive the funds as progress is made. The note is secured by real estate of the Organization and will be fully forgiven providing the facility serves low- and moderate-income individuals for 20 years (CDBG, Elm Street Shelter).	189,100	-
Non-interest bearing note payable to the City of Keene, New Hampshire. The note expires in June 2022 and payment is not necessary unless the Organization defaults on contract. The note is secured by real estate of the Organization (City of Keene, 139 Roxbury Street).	77,100	-
Non-interest bearing note payable to the City of Keene, New Hampshire, with an original balance of $240,000 reduced to $204,000 when the Organization acquired the note from Keene Housing in July 2020. No payment is due and 5% of the balance is forgiven each year through June 2037. The note is secured by real estate of the Organization (City of Keene, 139 Roxbury Street).	204,000	-
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 efficient 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

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NOTE 3 LONG TERM DEBT (continued)

	2021	2020
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).	139,860	162,880
Keene East Side - Non-interest bearing note payable to New Hampshire Housing to fund energy efficient 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
Swanzey - Non-recourse, 4.90% simple interest mortgage note payable to the New Hampshire Housing (HOME), due September, 2033, principal and interest 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.	287,710	289,996
Swanzey - Non-recourse mortgage note payable to New Hampshire Housing (AHF), due September 2043, payable in monthly installments of $1,698, including interest at 2.35% secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 40 year term of the mortgage.	353,561	365,474

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NOTE 3 LONG TERM DEBT (continued)

	2021	2020
Snow Brook - Non-recourse, mortgage note payable to New Hampshire Housing, due July 2057, payable in monthly installments of $2,002 including interest at 4.35% secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage.	436,974	441,872
Snow Brook - Non-recourse, zero interest mortgage note payable to New Hampshire Housing (AHF), due June 2034, principal and interest 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.	237,173	237,173
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).	43,450	46,978
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).	79,609	85,028
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 Home Loan Bank).	150,000	150,000

NOTE 3 LONG TERM DEBT (continued)

	2021	2020
Keene Highland - Non-recourse mortgage note payable to New Hampshire Housing (AHF), due August 2035, payable in monthly installments of $3,122, including interest at 2.90%, 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).	434,765	-
Keene Highland - 30 year, zero interest, non-recourse deferred mortgage note payable to the City of Keene, New Hampshire due June 2035, payment of principal is deferred until the due date, secured by land and buildings (City of Keene).	915,000	-
Warwick - 30 year, zero interest, non-recourse deferred mortgage note payable to the Town of Winchester, New Hampshire due August 2036, payment of principal is deferred until the due date, secured by land and buildings (Town of Winchester).	500,000	-
Total long-term debt before unamortized deferred financing costs	11,460,204	9,049,462
Unamortized deferred financing costs	(17,619)	(18,281)
	11,442,585	9,031,181
Less current portion due within one year	142,174	125,324
	$11,300,411	$ 8,905,857

The schedule of maturities of long term debt at May 31, 2021 is as follows:

Year Ending May 31	Amount
2022	$ 142,174
2023	142,488
2024	146,073
2025	151,449
2026	157,310
Thereafter	10,720,710
Total	$11,460,204

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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 2025. Monthly lease payments range from $900 to $3,625. Lease expense for the years ended May 31, 2021 and 2020 totaled $148,143 and $140,758, respectively.

Future minimum payments as of May 31, 2021 on the above leases are as follows:

Year Ending May 31	Amount
2022	$ 69,243
2023	1,050
2024	720
2025	120
Total	$ 71,133

NOTE 5 ACCRUED COMPENSATED BALANCES

At May 31, 2021 and 2020, the Organization accrued a liability for future annual leave time that its employees had earned and vested in the amount of $144,916 and $141,970, 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 eight 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 $11,927,000 and $13,988,000 at May 31, 2021 and 2020, respectively.

Partnership real estate with a cost basis of approximately $27,348,000 and $35,896,000 at May 31, 2021 and 2020, respectively, provides collateral on these loans.

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NOTE 6 CONTINGENCIES (continued)

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, 2021 and 2020.

NOTE 7 RELATED PARTY TRANSACTIONS

During the years ended May 31, 2021 and 2020, SCS Housing, Inc. managed nine and eleven limited partnerships, respectively. Management fees charged by SCS Housing, Inc. totaled $228,239 and $295,814, for the years ended May 31, 2021 and 2020, 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 amounts due and expected to be collected from the limited partnerships and related entities totaled $55,138 and $59,067 at May 31, 2021 and 2020, 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:

	2021	2020
Cityside Housing Associates, LP	$ (9,509)	$ (9,505)
Marlborough Homes, LP	(43)	(27)
Payson Village Senior Housing Associates, LP	(12,524)	(12,514)
Railroad Square Senior Housing Associates, LP	(2,247)	(2,071)
Warwick Meadows Housing Associates, LP	-	(28)
Woodcrest Drive Housing Associates, LP	180,727	222,842
Westmill Senior Housing, LP	49	64
Keene Highland Housing Associates, LP	-	(269)
Alstead Senior Housing Associates, LP	(18,452)	(18,441)
	$ 138,001	$ 180,051

NOTE 8 EQUITY INVESTMENT (continued)

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, Woodcrest Drive Housing Associates, LP, and Alstead Senior Housing Associates, LP, a 0.10% partner of Railroad Square Senior Housing Associates, LP, and a 1% partner of Westmill Senior Housing, LP during the years ended May 31, 2021 and 2020.

SCS Housing, Inc. is a 0.01% partner of Winchester Senior Housing Associates, LP, Swanzey Township Housing Associates, LP, Snow Brook Meadow Village Housing Associates, LP, and Keene Highland Housing Associates, LP during the years ended May 31, 2021 and 2020.

The remaining 99.99% ownership interest in Keene Highland Housing Associates, LP and Warwick Meadow Housing Associates, LP were acquired by Southwestern Community Services, Inc. during the year ending May 31, 2021 (see **Note 13**), and therefore the limited partnerships are included in the consolidated financial statements for the year ended May 31, 2021.

Summarized financial information for entities accounted for under the equity method, as of May 31, 2021 and 2020, consists of the following:

	2021	2020
Total assets	$ 53,169	$ 56,632
Total liabilities	15,200	16,530
Capital/Member's equity	37,969	40,102
	$ 53,169	$ 56,632
Income	$ 3,267	$ 3,408
Expenses	4,719	4,707
Net loss	$ (1,452)	$ (1,299)

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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 $296,322 and $278,209 for the years ended May 31, 2021 and 2020, respectively.

NOTE 10 RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are available for the following purposes:

	2021	2020
NNECAC – Annual Conference Fund	$ 16,646	$ 4,814
GAPS/Warm Fund	101,736	91,725
Transport	90,000	40,000
HS Parents Association	6,967	7,933
Total net assets with donor restrictions	$ 215,349	$ 144,472

NOTE 11 BOARD DESIGNATED NET ASSETS

The board designates a portion of the unrestricted net assets for WM Marcello GAPS funds. There was $12,790 and $14,888 designated by the board at May 31, 2021 and 2020, respectively.

NOTE 12 FORGIVENESS OF DEBT

During the years ended May 31, 2021 and 2020, the Organization realized forgiveness of debt income in connection with notes payable to Community Development Block Grant, HUD and Community Development Finance Authority. Forgiveness of debt income totaled $79,431 and $79,338 for the years ended May 31, 2021 and 2020, respectively.

The Organization recognized forgiveness of debt of $439,070 related to the Paycheck Protection Program during the year ended May 31, 2021. See additional detail at **Note 15**.

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NOTE 13 TRANSFER OF PARTNERSHIP INTERESTS

During the year ended May 31, 2021, Southwestern Community Services, Inc. acquired a partnership interest in two low-income housing limited partnerships: Keene Highland and Warwick. The amount paid for the partnership interest in Keene Highland and Warwick was $1 each, 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 partnerships at the date of acquisition:

	Keene Highland	Warwick
Date of Transfer	07/01/2020	01/01/2021
Cash	$ 156,907	$ 68,061
Security deposits	21,321	12,460
Cash reserves	391,456	154,727
Property, net	2,769,245	1,237,249
Other assets	25,946	10,861
Total assets	3,364,875	1,483,358
Notes payable	1,372,220	518,078
Other liabilities	85,048	18,939
Total liabilities	1,457,268	537,017
Partners' capital	1,907,607	946,341
Partners' capital previously recorded as an investment in related parties	269	28
Partners' capital transferred	$ 1,907,876	$ 946,369

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NOTE 14 LIQUIDITY AND AVAILABILITY

The following represents Southwestern Community Services, Inc. and related companies' financial assets as of May 31, 2021 and 2020:

	2021	2020
Financial assets at year end:		
Cash and cash equivalents	$ 1,722,941	$ 1,400,153
Accounts receivable	1,781,636	1,201,132
Due from related party	55,138	59,067
Notes receivable	2,357	2,357
Cash escrow and reserve funds	1,471,741	809,897
Total financial assets	5,033,813	3,472,606
Less amounts not available to be used within one year:		
Due from related party	(55,138)	(59,067)
Notes receivable	(2,357)	(2,357)
Reserve funds	(1,471,741)	(809,897)
Total amounts not available within one year	(1,529,236)	(871,321)
Financial assets available to meet general expenditures over the next twelve months	$ 3,504,577	$ 2,601,285

The Organization has a goal to maintain unrestricted cash on hand to meet 30 days of normal operating expenditures, which are, on average, approximately $1,559,000 and $1,215,000 at May 31, 2021 and 2020, respectively. The Organization has a $250,000 line of credit available to meet cash flow needs.

NOTE 15 PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization received loan proceeds in the amount of $439,070 under the Paycheck Protection Program (PPP). The PPP, is established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). If the Organization did not meet the loan criteria, the unforgiven portion of the PPP loan is payable over five years at an interest rate of 1%, with a deferral of payments for the first ten months. The Organization has used the proceeds for purposes consistent with the PPP and the PPP loan has been forgiven in full. Therefore, forgiveness of the loan totaling $439,070 has been recognized on the Consolidated Statement of Activities for the year ended May 31, 2021.

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NOTE 16 ECONOMIC INJURY DISASTER LOAN

During June 2020, the Organization received an Economic Injury Disaster Loan (EIDL) from the Small Business Administration with proceeds in the amount of $150,000. The EIDL is payable over 30 years at an interest rate of 2.75% with a deferral of payments for one year from the date of the note. Installments, including principal and interest, of $641 monthly begin in June 2021. The balance of principal and interest will be payable in May 2050. The loan is secured by the Small Business Administration.

The scheduled maturities of the EIDL as of May 31, 2021 were as follows:

Year Ending May 31	Amount
2022	$ 3,201
2023	3,585
2024	3,685
2025	3,788
2026	3,893
Thereafter	131,848
	$ 150,000

NOTE 17 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 18 OTHER EVENTS

The impact of the novel coronavirus (COVID-19) and measures to prevent its spread are affecting the Organization's operations. The significance of the impact of these disruptions, including the extent of their adverse impact on the Organization's financial operational results, will be dictated by the length of time that such disruptions continue and, in turn, will depend on the currently unknowable duration of the COVID-19 pandemic and the impact of governmental regulations that might be imposed in response to the pandemic. The Organization's business could also be impacted should the disruptions from COVID-19 lead to changes in consumer behavior. COVID-19 also makes it more challenging for management to estimate future performance of the businesses, particularly over the near to medium term.

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NOTE 19 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 October 22, 2021, the date the financial statements were available to be issued.

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SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED MAY 31, 2021

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2021 Total
REVENUES									
Government contracts	$ 4,633,049	$ 3,125,051	$ 5,267,961	$ 4,060	$ 795,997	$ -	$ 13,826,118	$ 625,379	$ 14,451,497
Program service fees	1,028,348	-	56,851	846,971	-	776,732	2,708,902	-	2,708,902
Rental income	-	-	90,984	1,566,630	-	127	1,657,741	-	1,657,741
Support	55,162	9,969	242,175	-	180,072	114,194	601,572	66	601,638
Sponsorship	-	-	-	-	-	21,703	21,703	-	21,703
Interest income	13	11	198	388	22	35	667	735	1,402
Forgiveness of debt	-	-	56,411	23,020	-	-	79,431	439,070	518,501
Miscellaneous	1,947	3,908	4,613	119,379	25	39,362	169,234	69,862	239,096
In-kind contributions	-	65,414	-	-	-	-	65,414	-	65,414
Total revenues and other support	$ 5,718,519	$ 3,204,353	$ 5,719,193	$ 2,560,448	$ 976,116	$ 952,153	$ 19,130,782	$ 1,135,112	$ 20,265,894
EXPENSES									
Payroll	$ 486,387	$ 1,518,514	$ 491,084	$ 725,103	$ 350,843	$ 439,136	$ 4,011,067	$ 752,116	$ 4,763,183
Payroll taxes	25,674	106,568	37,005	43,514	30,248	33,024	276,033	120,497	396,530
Employee benefits	171,270	381,988	144,229	263,870	55,553	180,793	1,197,703	46,508	1,244,211
Retirement	32,604	85,776	24,671	51,308	20,760	14,238	229,357	66,965	296,322
Advertising	-	3,100	386	1,295	1,638	-	6,419	133	6,552
Bank charges	10	-	1,130	4,109	-	11	5,260	8,766	14,026
Computer cost	225	28,110	12,051	7,765	16,171	-	64,322	183,132	247,454
Contractual	1,007,401	12,804	42,954	61,431	680	48,737	1,174,007	59,518	1,233,525
Depreciation	-	26,438	117,967	603,938	-	7,620	755,963	153,192	909,155
Dues/registration	-	2,290	-	320	543	-	3,153	8,619	11,772
Duplicating	69	8,160	-	-	-	-	8,229	4,588	12,817
Insurance	5,539	15,035	33,483	57,881	15,298	6,890	134,126	43,490	177,616
Interest	-	5,955	5,983	48,121	-	1,690	61,749	113,918	175,667
Meeting and conference	-	-	-	840	154	133	1,127	1,637	2,764
Miscellaneous expense	2,863	-	1,242	82,239	9,546	1,359	97,249	2,675	99,924
Miscellaneous taxes	-	-	-	101,224	-	-	101,224	300	101,524
Equipment purchases	386	3,330	-	6,521	-	-	10,237	2,808	13,045
Office expense	19,084	17,479	60,872	11,834	2,568	749	112,586	49,579	162,165
Postage	300	368	126	37	348	-	1,179	31,999	33,178
Professional fees	1,050	-	3,300	38,627	-	-	42,977	81,034	124,011
Staff development and training	3,406	1,327	165	2,488	614	1,185	9,185	17,341	26,526
Subscriptions	-	-	-	98	-	-	98	2,767	2,865
Telephone	2,429	3,106	20,692	18,872	2,299	1,117	48,515	47,535	96,050
Travel	6,104	12,328	7,212	9,515	16,338	-	51,497	5,675	57,172
Vehicle	6,147	4,170	1,748	41,329	35,941	9,852	99,187	3,912	103,099
Rent	-	24,659	-	-	21,112	-	45,771	-	45,771
Space costs	-	122,478	384,093	718,703	16,731	114	1,242,119	139,968	1,382,087
Direct client assistance	3,788,549	179,702	4,126,109	12,971	24,399	3,782	8,135,512	-	8,135,512
In-kind expenses	-	65,414	-	-	-	-	65,414	-	65,414
TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION	5,559,497	2,629,099	5,516,502	2,913,953	621,784	750,430	17,991,265	1,948,672	19,939,937
Allocation of management and general expenses	602,161	284,763	597,504	315,616	67,347	81,281	1,948,672	(1,948,672)	-
TOTAL FUNCTIONAL EXPENSES	$ 6,161,658	$ 2,913,862	$ 6,114,006	$ 3,229,569	$ 689,131	$ 831,711	$ 19,939,937	$ -	$ 19,939,937

See Independent Auditors' Report

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SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED MAY 31, 2020

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2020 Total
REVENUES									
Government contracts	$ 4,518,118	$ 3,020,857	$ 1,759,258	$ 21,581	$ 797,710	$ 33,809	$ 10,151,333	$ 468,388	$ 10,619,721
Program service fee	832,454	-	66,804	985,951	3,496	707,147	2,595,852	9,964	2,605,816
Rental income	-	-	97,328	1,067,704	-	-	1,165,032	-	1,165,032
Developer fee income	-	-	-	1,508	-	-	1,508	-	1,508
Support	81,387	36,421	219,105	-	114,117	114,844	565,874	27,736	593,610
Sponsorship	-	6,809	-	-	-	19,737	26,546	-	26,546
Interest income	12	17	1,382	2,559	35	11	4,016	5,208	9,224
Forgiveness of debt	-	-	56,318	23,020	-	-	79,338	-	79,338
Miscellaneous	2,860	3,381	21,160	77,326	19,460	-	124,187	23,926	148,113
In-kind contributions	-	167,553	-	-	-	-	167,553	-	167,553
Total revenues	$ 5,434,831	$ 3,235,038	$ 2,221,355	$ 2,179,649	$ 934,818	$ 875,548	$ 14,681,239	$ 535,222	$ 15,416,461
EXPENSES									
Payroll	$ 467,456	$ 1,374,787	$ 335,905	$ 735,214	$ 435,177	$ 424,014	$ 3,772,553	$ 731,826	$ 4,504,379
Payroll taxes	38,287	107,590	25,566	56,083	35,147	32,738	293,411	55,964	349,375
Employee benefits	135,770	412,407	121,495	271,770	85,902	193,929	1,221,273	45,011	1,266,284
Retirement	29,265	71,941	19,791	58,108	21,016	13,973	214,094	64,115	278,209
Advertising	728	3,084	83	2,632	3,999	2,100	12,626	591	13,217
Bank Charges	4	-	17	4,117	-	54	4,192	7,456	11,648
Bad debt	-	45	195	-	-	-	240	4,000	4,240
Computer cost	-	28,124	5,538	8,120	15,541	-	57,323	166,243	223,566
Contractual	776,055	18,582	13,624	27,752	2,719	74,250	912,982	41,190	954,172
Depreciation	-	27,369	108,291	366,399	-	10,913	512,972	150,280	663,252
Dues/registration	-	977	-	495	468	-	1,940	9,720	11,660
Duplicating	-	7,480	-	-	-	-	7,480	5,684	13,164
Insurance	8,667	13,010	24,560	56,680	14,271	5,968	121,156	36,841	157,997
Interest	-	7,198	7,527	36,985	-	-	51,710	114,881	166,591
Meeting and conference	457	1,042	262	4,913	1,118	2,029	9,821	13,879	23,700
Miscellaneous expense	3,543	1,597	60	44,189	4,722	163	54,274	18,105	72,379
Miscellaneous taxes	-	-	-	61,942	-	-	61,942	200	62,142
Equipment purchases	24,948	1,646	-	6,426	-	-	33,020	30	33,050
Office expense	20,017	8,744	6,002	9,148	10,480	33	54,424	24,136	78,560
Postage	240	261	123	189	252	-	1,065	24,447	25,512
Professional	2,045	-	3,200	28,718	-	706	34,669	89,175	123,844
Staff development and training	-	2,135	648	1,208	415	3,088	7,494	2,787	10,281
Subscriptions	-	-	-	95	-	-	95	1,801	1,896
Telephone	2,283	1,968	17,624	17,959	3,179	1,166	44,179	41,601	85,780
Travel	6,792	16,310	12,602	7,545	30,585	15	73,849	3,031	76,880
Vehicle	3,902	5,121	5,574	30,678	36,849	9,696	91,820	8,202	100,022
Rent	-	25,570	-	-	-	-	25,570	-	25,570
Space costs	-	174,312	352,469	583,375	2,699	89	1,112,944	100,446	1,213,390
Direct client assistance	3,637,530	208,759	999,499	12,920	33,124	418	4,892,250	-	4,892,250
In-kind expenses	-	167,553	-	-	-	-	167,553	-	167,553
TOTAL FUNCTIONAL EXPENSES BEFORE GENERAL AND MANAGEMENT ALLOCATION	5,153,989	2,687,612	2,060,655	2,433,660	737,663	775,342	13,848,921	1,761,642	15,610,563
Allocation of management and general expenses	655,609	341,876	262,124	309,572	93,834	98,627	1,761,642	(1,761,642)	-
TOTAL FUNCTIONAL EXPENSES	$ 5,809,598	$ 3,029,488	$ 2,322,779	$ 2,743,232	$ 831,497	$ 873,969	$ 15,610,563	$ -	$ 15,610,563

See Independent Auditors' Report

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SOUTHWESTERN COMMUNITY SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2021

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S NUMBER	FEDERAL EXPENDITURE	
U.S. Department of Agriculture					
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	State of NH, Department of Health & Human Services	010-090-52600000-102-500734		$ 325,849
Child and Adult Care Food Program	10.558	State of NH, Department of Education	Unknown		165,379
Food Distribution Cluster					
Commodity Supplemental Food Program	10.565	State of NH, Department of Health & Human Services	010-090-52600000-102-500734	$ 2,400	
Commodity Supplemental Food Program (Food Commodities)	10.565	Community Action Program Belknap-Merrimack Counties	Unknown	202,800	205,200
Total U.S. Department of Agriculture					$ 696,428
U.S. Department of Housing and Urban Development					
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717600000-102-50731	$ 142,269	
COVID-19 Emergency Solutions Grant Program	14.231	State of NH, DHHS, Bureau of Homeless & Housing	05-95-42-423010-79270000	86,100	$ 228,369
Supportive Housing Program	14.235	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717600000-102-50731		116,879
Shelter Plus Care	14.238	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717600000-102-50731		309,035
Continuum of Care Program	14.267	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717600000-102-50731		371,328
Total U.S. Department of Housing and Urban Development					$ 1,025,611
U.S. Department of Labor					
WIOA Cluster					
WIOA Adult Program	17.258	Southern NH Services	Unknown	$ 35,453	
WIOA Dislocated Worker Formula Grants	17.278	Southern NH Services	Unknown	11,255	$ 46,708
Total U.S. Department of Labor/WIOA Cluster					$ 46,708
U.S. Department of Transportation Federal Transit Administration (FTA)					
Formula Grants for Rural Areas	20.509	State of NH, Department of Transportation	04-96-96-964010-2916		$ 481,482
Transit Services Programs Cluster					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	State of NH, Department of Transportation	04-96-96-964010-2916		50,512
Total U.S. Department of Transportation Federal Transit Administration (FTA)					$ 531,994
U.S. Department of Treasury					
Coronavirus Relief Fund	21.019	State of NH, DHHS, Division of Economic & Housing Stability	SS-2021-BHS-03-HOUSI-04	$ 2,210,738	
Coronavirus Relief Fund	21.019	New Hampshire Housing	Shelter Decompression	127,814	
Coronavirus Relief Fund	21.019	New Hampshire Housing	Shelter Decompression	51,625	
Coronavirus Relief Fund	21.019	Monadnock Developmental Services, Inc.	Long Term Care Stabilization Program	58,050	$ 2,448,227

See Notes to Schedule of Expenditures of Federal Awards

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SOUTHWESTERN COMMUNITY SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2021

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S NUMBER		FEDERAL EXPENDITURE
U.S. Department of Treasury (continued)					
Emergency Rental Assistance Program	21.023	New Hampshire Housing			$ 1,184,928
Total U.S. Department of Treasury					$ 3,633,155
U.S. Small Business Administration					
Disaster Assistance Loans	59.008	Direct Award	EIDL #1272708008		$ 150,000
Total U.S. Small Business Administration					$ 150,000
U.S. Department of Energy					
Weatherization Assistance for Low-Income Persons	81.042	State of NH, Office of Energy & Planning	01-02-024010-7706-074-500587		$ 257,105
Total U.S. Department of Energy					$ 257,105
U.S. Department of Health & Human Services					
Aging Cluster					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	State of NH, Office of Energy & Planning	01-02-024010-7706-074-500587	$ 4,867	
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	State of NH, DHHS, Bureau of Elderly & Adult Services	05-95-48-481010-7872	37,929	$ 42,796
TANF Cluster					
Temporary Assistance for Needy Families	93.558	Southern NH Services	Unknown		138,773
Low Income Home Energy Assistance (Fuel Assistance)	93.568	State of NH, Office of Energy & Planning	01-02-02-024010-77050000-500587	4,163,409	
Low Income Home Energy Assistance (BWP)	93.568	State of NH, Office of Energy & Planning	01-02-02-024010-77050000-500587	158,764	
COVID-19 Low Income Home Energy Assistance	93.568	State of NH, DHHS, Administration for Children & Familes, Office of Community Services	Grant #2001NHE5C3	40,746	4,362,919
Community Services Block Grant	93.569	State of NH, DHHS, Div. of Family Assistance	500731	367,841	
COVID-19 Community Services Block Grant	93.569	State of NH, DHHS, Division of Economic & Housing Stability	500731	234,886	602,727
Community Services Block Grant - Discretionary	93.570	State of NH, DHHS, Div. of Family Assistance			22,652

See Notes to Schedule of Expenditures of Federal Awards

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SOUTHWESTERN COMMUNITY SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2021

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S NUMBER	FEDERAL EXPENDITURE	
U.S. Department of Health & Human Services (continued)					
Head Start Cluster					
Head Start	93.600	Direct Funding	01CH011494	$ 2,401,431	
COVID-19 Head Start	93.600	Direct Funding	01HE000388	131,202	$ 2,532,633
Total U.S. Department of Health & Human Services					$ 7,702,500
U.S. Department of Homeland Security					
Emergency Food and Shelter National Board Program	97.024	State of NH, DHHS, Office of Human Services	Unknown		$ 11,008
Total U.S. Department of Homeland Security					$ 11,008
TOTAL					$ 14,054,509

See Notes to Schedule of Expenditures of Federal Awards

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SOUTHWESTERN COMMUNITY SERVICES, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED MAY 31, 2021

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, 2021. 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, 2021.

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Leone, McDonnell & Roberts
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS
WOLFEBORO • NORTH CONWAY
DOVER • CONCORD
STRATHAM

SOUTHWESTERN COMMUNITY SERVICES, 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
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, 2021, and the related consolidated statements of activities, functional expenses, and cash flows, for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 22, 2021.

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.

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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

October 22, 2021
Wolfeboro, New Hampshire

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SOUTHWESTERN COMMUNITY SERVICES, 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
Southwestern Community Services, Inc.
Keene, New Hampshire

Report on Compliance for Each Major Federal Program
We have audited Southwestern Community Services, Inc.'s (a New Hampshire nonprofit corporation) 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, 2021. 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, 2021.

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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.

Leone McDonnell & Roberts
Professional Association

October 22, 2021
Wolfeboro, New Hampshire

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SOUTHWESTERN COMMUNITY SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MAY 31, 2021

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the consolidated financial statements of Southwestern Community Services, Inc. and related companies 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. and related companies, 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, Community Services Block Grant, 93.569, and Head Start, 93.600; and U.S. Department of Treasury; Coronavirus Relief Fund, 21.019, and Emergency Rental Assistance Program, 21.023;

8. The threshold for distinguishing Type A and B programs was $750,000.

9. Southwestern Community Services, Inc. was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

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SOUTHWESTERN COMMUNITY SERVICES, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED MAY 31, 2021

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, 2020.

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Southwestern Community Services, Inc.
Board of Directors - 2021 Composition

	CHESHIRE COUNTY	SULLIVAN COUNTY
CONSTITUENT SECTOR	**Ron Nason** SCS Tenant	**Mary Lou Huffling** Fall Mountain Emergency Food Shelf Alstead Friendly Meals
	Brianna Trombi Had Start Policy Council Parent Representative	**Anne Beattie** Newport Service Organization
PRIVATE SECTOR	**Kevin Watterson, *Chair*** Clarke Companies *(retired)*	**David Edkins** Town of Walpole
	Dominic Perkins Savings Bank of Walpole	**Kerry Belknap Morris, M.Ed.** Early Childhood Education River Valley Community College
PUBLIC SECTOR	**Jay Kahn** State Senator, District 10	**Derek Ferland** Sullivan County Manager
	Beth Fox Assistant City Manager/ Human Resources Director City of Keene	Open

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KAYLA CHRISTENSON

[redacted]

January 2021

EXPERIENCE

OCTOBER 2018 – PRESENT
SUPPORTIVE HOUSING PROGRAM COORDINATOR, SOUTHWESTERN COMMUNTIY SERVICES

- Working in collaboration with SHP Case Managers to ensure individuals maintain their housing
- Processing applications, intakes and exits for all supportive housing programs
- Fostering and establishing relationships with both community partners and local landlords
- Forecasting program budgets to meet the needs of both our programs and clients
- Working directly with Program Director and BHS staff to ensure program compliance
- Completing recertifications for all of the supportive housing program residents
- Collaborating with all Housing Stabilization staff to best meet the needs of the clients

SUPPORTIVE HOUSING CASE MANAGER, SOUTHWESTERN COMMUNITY SERVICES

- Case management of clients throughout supportive housing programs
- Processing applications, intakes and exits for all supportive housing programs
- Fostering and establishing relationships with both community partners and local landlords
- Completing recertifications for all of the supportive housing program residents
- Collaborating with all Housing Stabilization staff to best meet the needs of the clients

JULY 2018 – SEPTEMBER 2018
CARE COORDINATOR I, HEALTH CARE REHABILITATION SERVICES

- Facilitated Family Time visits with children in DCF custody and their biological parents, using the Family Time model
- Provided coaching to parents in order to help them increase their parenting skills and to increase parental attunement
- Working daily with at risk youth and their families
- Established a working relationship with Vermont DCF social workers as well as multiple community partners to ensure goals established for parents were being met as well as coordinating for Family Time visits
- Daily documentation of Family Time visits, noting where coaching was needed/used as well as an overall report of each visit as well as any

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communications between myself, social workers, foster parents and biological parents.

2014 – 2018
PRODUCTION REP I, C&S WHOLESALE GROCERS

- Analyzed departmental documents for appropriate distribution and filing.
- Responsible for accurately entering key field information for 5,000+ documents per day.
- Assist in training new hires and helping them reach their daily quotas.
- Record and sort incoming mail from warehouses all over the country.
- Respond to document requests regarding location of specific PO numbers in a timely fashion.
- Daily use of Microsoft Office as well as Kofax.

EDUCATION

BACHELOR OF ARTS PSYCHOLOGY, SOUTHERN NEW HAMPSHIRE UNIVERSITY
Graduation date January 2020

- GPA 3.78/4.0
- Concentration in Child and Adolescent Development
- National Society of Leadership and Success (Sigma Alpha Pi) 2018

H.S DIPLOMA, WORCESTER VOCATIONAL TECHNICAL HIGH SCHOOL
Graduated with honors, 2007.

SKILLS

- Skilled problem solver
- MS Windows proficient
- Exceptional communication skills
- Self-motivated
- Conflict resolution

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Liza Regan

PROFESSIONAL PROFILE

Southwestern Community Services, Keene, NH; *August 2017 - Present*
Supportive Housing Program Case Manager/Facilities Coordinator, Housing Stabilization Services
Responsibilities include: campus supervisor, case management, seek stable housing for clients, work with program vouchers, build community partner connections, build landlord connections, act as landlord agent for SCS permanent housing projects, property maintenance including managing contract bids, estimates and supervise indoor and outdoor facilities work orders

Mount Royal Academy. Sunapee, NH; *September 2016 - December 2017*
Drama Director/Substitute Teacher;
Responsibilities included: directing student productions for the community, advertising, fundraising and budgeting, classroom education, organizer and director at 2017 summer arts camp

Woodcrest Village Assisted Living, New London, NH; *June 2017- August 2017*
Resident Aide
Responsibilities included: assisting with personal care of residents, evaluating emergency situations, supervision of building during night shift, clear communication between residents, their families and staff, accurate medical reporting, written and verbal, basic house-keeping and laundry

Woodlawn Care Center, Newport, NH;
June 2019 – Current
Sub-contracted painter
June 2016 - June 2017
Residential Services Aide
Responsibilities included: laundry, housekeeping, music activities
January 2010 - September 2012
Licensed Nurse's assistant, activities assistant, kitchen aide

Self- Employment; *January 2004 - December 2017*
Home-study tutor, personal assistant, nanny, elderly homecare

SKILLS

- Self-Motivated
- Client-focused
- Maintenance Coordination
- Excellent communication
- Public Relations
- Time management skills
- Computer Knowledge
- Fundraising
- Compassionate
- Professional
- Leadership
- Creative

EDUCATION AND TRAINING

Bachelor of Arts
Liberal Arts, Magdalen College, Warner NH United States 2002
Education: Classical Study, Rhetoric, Logic, Music and Arts, Student Life Leadership, Paid Work Study, Choir Assistant

High School Diploma
Our Lady of Victory, Hamilton Ontario Canada 1998

PROJECTS: Maddie's Hands founded 2013: collecting and distributing hygiene products and home goods to local outreach projects, organized and hosted an annual day of respite for NH special needs families for four years

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CRAIG A. HENDERSON

[redacted]

SUMMARY OF QUALIFICATIONS

- Proficient in: Word, Excel, PowerPoint, Internet, Outlook, Photoshop,
- Ability to prioritize in a fast paced environment and to learn new tasks quickly and effectively
- Dedicated, reliable and responsible
- Extensive background in Social Services, Property Management, Finance, and Customer Service

EDUCATION

- B.A Psychology with a specialization in counseling — May, 1999
  B.S Business Management
  Keene State College
  Keene, NH 03435

EMPLOYMENT HISTORY

Henderson & Bosley Property Management — **8/02-Present**
President — **Keene, NH**

- Adhering to NH State housing laws and government housing programs
- Advertising and marketing of vacant apartments, Creating leases, Performing credit checks
- Property inspections and maintenance- including basic carpentry, landscaping etc.
- Research and management of investment opportunities

Southwestern Community Services — **10/07-Present**
Director of Housing Stabilization Services

- Designs and implements systems to provide efficient operation of all Housing Stabilization programs.
- Manages and leads assigned staff to ensure SCS policies and procedures are followed in a manner consistent with the organization's mission, values, and culture.
- Participates in the hiring of new employees and oversees the orientation and training of all assigned staff.
- Maintain compliance with State/Government/Agency protocols, procedures, and reporting.

Southwestern Community Services — **10/07-Present**
Assistant Director of Housing Stabilization Services — **Keene, NH**

- Monitor quality of services, operation of assigned programs, facilities, and staff.
- Process and certify tenant/client applications for all Supportive Housing Programs; facilitate move-in process; track and collect rents/subsidies utilizing Classic Real Estate Software; track and collect all match documentation; recertify tenants when necessary and in a timely manner.
- Maintain compliance with State/Government/Agency protocols, procedures, and reporting.

Southwestern Community Services — **02/03-10/07**
Long Term Transitional Housing Program Administrator — **Keene, NH**

- Responsibilities include: Assisting the homeless of Cheshire County with budgeting and referrals to other needed services; Advocating on behalf of clients to create new networks and improve current relationships; providing counsel through tough transitions, as well as, creating and maintaining an environment of success through programs such as Mediation Training, Consumer Credit Counseling, Psychological Therapy, Parenting Classes, and First Time Homebuyers programs.
- Basic maintenance of shelter properties and inventory control
- Responsible to track data and create statistical reports based on information collected to assist in budget allocations for Southwestern Community Services

Coldwell Banker / Tattersall — **1/02-3/04**
Real Estate Sales Associate — **Keene, NH**

- Assisting buyers and sellers of real estate through customer/client interaction.
- Informing clients/customers of federal and state regulations, financing options, and negotiating
- Creating marketing plans and researching pricing through competitive market analysis

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Vision Appraisal Technology — **5/02-2/03**
Data Collector — **Keene, NH**

- Assured accurate and consistent real-estate assessments with the emphasis in field work
- Position required strong attention to detail with the emphasis in property measurement and appraisal as well as requiring strong customer skill by acting as a liaison between town assessors office and the property owner

Monadnet — **8/99-8/01**
Customer Service Supervisor — **Keene, NH**

- Responsibilities include maintaining all major accounts and new account data; managing projects and delegating responsibilities, A/R and A/P reconciliation, Collections of delinquent accounts.
- Financial Analysis and Trend Monitoring, Billing Systems Analyst
- Direct mediation and resolution of customer service issues.

AWARDS RECEIVED

- **Delta Mu Delta: National Business Honor Society**
- **Psi Chi: National Psychology Honor Society**

CONTINUING EDUCATION AND CERTIFICATIONS

04/18/2007 Certified Occupancy Specialist – National Center for Housing Management

09/23/2008 Successful completion of "Landlord and Tenant Law" seminar – Lorman Educational Services

02/23/2016 HUD Certified Housing Quality Standards Inspector

01/21/2016 Completed 8.5 hours of Nonviolent Crisis Intervention training

04/26/2013 Certification in Fair Housing Law – Granite State Managers Association

08/10/2016 Blood Borne Pathogen Training

08/24/2016 6 hours of comprehensive low income housing tax credit training – Johnson Consulting Services, Inc

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Lori A. Hathaway

[redacted]
Keene, New Hampshire 03431
[redacted]
[redacted]

Education

Keene State College BA in English May 2009 Keene, New Hampshire

Employment History

2011-Present SCS **Data Specialist/Admin Assistant** Keene, New Hampshire

- Maintenance of daily Data Entry for several sub-programs
- Compiling and analyzing Data Reports as requested
- Administration of Housing Security Guarantee Loan Program
- Co-facilitation of Educational Workshops
- Presentation of Train-the-Trainer Sessions at annual conference

2009-2011 SCS **Administrative Assistant** Keene, New Hampshire

- Research required to determine program eligibility
- Creation and maintenance of client files
- Scheduling of client audits
- Various administrative and support tasks

2000-2008 PEP-Direct **Donor Service Representative** Wilton, New Hampshire

- Fulfillment of special donor requests for non-profit organization
- Telephone interaction with donors
- Maintenance of donor records
- Generation of letters addressing donor issues and complaints

1996-1998 Claire's **Assistant Manager** Nashua, New Hampshire

- Supervised staff
- Responsible for opening and closing store
- Responsible for balancing registers and bank deposits
- Assisted customers with merchandise selection and purchases

Affiliation and Volunteer Experience

2009-Pres. MUW Pacesetter Committee **Member** SCS

Kappa Delta Phi NAS, Kappa Gamma **Member** Keene State College

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Southwestern Community Services, Inc.
Next Steps Program

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Kayla Christenson	Supportive Housing Program Coordinator	$35360	25%	$8840
Vacant	Supportive Housing Case Mgr	34320	50	17160
Liza Regan	Supportive Housing Case Mgr	35360	50	17680
Craig Henderson	Director – HSS	51043	5	2552
Lori Hathaway	Data Specialist/ Admin Asst	31720	2	634

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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF ECONOMIC & HOUSING STABILITY

Lori A. Shibinette
Commissioner

Christine L. Santaniello
Director

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

June 24, 2021

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, Division of Economic and Housing Stability, to amend an existing contract with Southwestern Community Services, Inc. (VC#177511-R001), Keene, NH for the ongoing provision of Permanent Housing and Supportive Services to individuals and families who are experiencing homelessness through the Federal Continuum of Care Program, by exercising a contract renewal option by increasing the price limitation by $219,951 from $210,427 to $430,378 and extending the completion date from July 31, 2021 to July 31, 2022 effective August 1, 2021 upon Governor and Council approval. 100% Federal Funds.

The original contract was approved by Governor and Council on March 25, 2020, item #8 and most recently amended with Governor and Council approval on November 18, 2020, item #18.

Funds are anticipated to be available in the following account for State Fiscal Years 2022 and 2023, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

05-95-42-423010-79270000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING – SHELTER PROGRAM

State Fiscal Year	Class / Account	Class Title	Job Number	Current Budget	Increased (Decreased) Amount	Revised Budget
2020	102-500731	Contracts for Prog Svc	TBD	$22,448	$0	$22,448
2021	102-500731	Contracts for Prog Svc	TBD	$173,518	$0	$173,518
2022	102-500731	Contracts for Prog Svc	TBD	$14,461	$0	$14,461
2022	074-500589	Grants for Pub Asst and Relief	TBD	$0	$201,622	$201,622
2023	074-500589	Grants for Pub Asst and Relief	TBD	$0	$18,329	$18,329
			Total:	**$210,427**	**$219,951**	**$430,378**

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EXPLANATION

Federal regulations require the Department to identify each vendor, by name, during the annual, federal Continuum of Care Program renewal application process, prior to the grant awards being issued. A competitive process occurs at the Federal level and the Department delivers the funding to the Contractors through these agreements. Specifically, the U.S. Department of Housing and Urban Development (HUD) reviews the applications and subsequently awards funding based on pre-established criteria.

The purpose of this request is to continue providing a Permanent Housing program that delivers rental assistance, service access and supportive services to individuals and families who are experiencing homelessness. The program facilitates the movement of individuals, youth, and/or, families experiencing homelessness to permanent housing and maximum self-sufficiency.

Approximately twelve (12) households will be served from August 1, 2021 to July 31, 2022.

Using the Housing First model, the vendor develops Stabilization and Crisis Management plans and facilitates each participant's movement into sustained permanent housing. Additionally, vendors work to maximize each participant's ability to live more independently by providing connections to community and mainstream services.

The Department will monitor contracted services using the following tools:

- Annual reviews relating to compliance with administrative rules and contractual agreements.
- Semi-annual statistical reports, including various demographic information and income and expense reports, to include match dollars.
- Data entry into the New Hampshire Homeless Management Information System, which is the primary reporting tool for outcomes and activities of shelter and housing programs.

As referenced in Exhibit C-1, Revisions to Standard Contract Language, Section 2., Renewal., of the original contract, the parties have the option to extend the agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval. The Department is exercising its option to renew services for one (1) year of the one (1) year and eight (8) months available.

Should the Governor and Council not authorize this request, there will be fewer permanent housing options and supportive services available, leaving vulnerable individuals and families, in unsafe and deadly situations, without a safety net. Additionally, if data is not collected, as required by the contract, the Department will be out of compliance with federal regulations, which could result in a loss of federal funding for these and other types of permanent housing and supportive service programs.

Area served: Cheshire and Sullivan Counties.

Source of Funds: CFDA #14.267, FAIN # NH0092L1T002005

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

Respectfully submitted,

Lori Shibinette

Lori A. Shibinette
Commissioner

State of New Hampshire
Department of Health and Human Services
Amendment #2

This Amendment to the Continuum of Care, SCS Next Steps Permanent Housing Program contract is by and between the State of New Hampshire, Department of Health and Human Services ("State" or "Department") and Southwestern Community Services, Inc. ("the Contractor").

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on March 25, 2020 (Item #8), as amended on November 18, 2020 (Item #18) the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, Section 2., Renewal, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to extend the term of the agreement, increase the price limitation, or modify the scope of services to support continued delivery of these services; and

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

1. Form P-37 General Provisions, Block 1.7, Completion Date, to read:
   July 31, 2022
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
   $430,378
3. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 1. Permanent Housing Program Funding, Subsection 1.2., Paragraph 1.2.3., by adding Subparagraph 1.2.3.4, to read:
   1.2.3.4. NH0092L1T002005 (SFY 2022; August 1, 2021 - June 30, 2022)
4. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 1. Permanent Housing Program Funding, Subsection 1.2., Paragraph 1.2.3., by adding Subparagraph 1.2.3.5, to read:
   1.2.3.5. NH0092L1T002005 (SFY 2023; July 1, 2022 - July 31, 2022)
5. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 1. Permanent Housing Program Funding, Subsection 1.2., Paragraph 1.2.4., to read:
   1.2.4. Total Amount Continuum of Care;
   1.2.4.1. April 1, 2020 - July 31, 2022, not to exceed the amount specified in Form P-37, General Provisions, Block 1.8., Price Limitation.
6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 1. Permanent Housing Program Funding, Subsection 1.2., Paragraph 1.2.5, to read:
   1.2.5. Funds allocation under this agreement for the Continuum of Care Program:

		April 1, 2020 - June 30, 2020	July 1, 2020 - June 30, 2021	July 1, 2021 - July 31, 2021	August 1, 2021 - June 30, 2022	July 1, 2022 - July 31, 2022
1.2.5.1.	Operations:	$13,670	$131,982	$10,999	$152,327	$13,848
1.2.5.2.	Supportive Services:	$8,235	$37,509	$3,126	$44,798	$4,072
1.2.5.3.	Administrative Expenses:	$543	$4,027	$336	$4,497	$409
1.2.5.4.	**Total Amount:**	**$22,448**	**$173,518**	**$14,461**	**$201,622**	**$18,329**
1.2.5.5.	Vendor Match (25%):	$5,747	$44,387	$3,699	$51,530	$4,684

All terms and conditions of the Contract and prior amendments not modified by this Amendment remain in full force and effect. This Amendment shall be effective August 1, 2021, upon the date of Governor and Executive Council approval.

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

State of New Hampshire
Department of Health and Human Services

6/25/2021
Date

DocuSigned by:
Christine Santaniello
Name: Christine Santaniello
Title: Associate Commissioner

Southwestern Community Services, Inc.

6/24/2021
Date

DocuSigned by:
John Manning
Name: John Manning
Title: CEO

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

OFFICE OF THE ATTORNEY GENERAL

6/28/2021
Date

DocuSigned by:
DECA0303E33C4AE...
Name: Catherine Pinos
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

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STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF ECONOMIC & HOUSING STABILITY

Lori A. Shibinette
Commissioner

Christine L. Santaniello
Director

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

October 12, 2020

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, Division of Economic and Housing Stability, to amend an existing **Sole Source** contract with Southwestern Community Services, Inc. (vendor code 177511- R001), Keene, NH for the ongoing provision of Permanent Housing and Supportive Services to individuals and families who are experiencing homelessness through the Federal Continuum of Care Program, by exercising a contract renewal option by increasing the price limitation by $120,640 from $89,787 to $210,427 and extending the completion date from March 31, 2021 to July 31, 2021 effective upon Governor and Council approval. 100% Federal Funds.

The original contract was approved by Governor and Council on March 25, 2020, item #08.

Funds are available in the following account for State Fiscal Year 2021, and are anticipated to be available in State Fiscal Year 2022, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

05-95-42-423010-7927 HEALTH & SOCIAL SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES, HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING-SHELTER PROGRAM

State Fiscal Year	Class / Account	Class Title	Job Number	Current Budget	Increased (Decreased) Amount	Revised Budget
2020	102-500731	Contracts for Prog Svc	TBD	$22,448	$0	$22,448
2021	102-500731	Contracts for Prog Svc	TBD	$67,339	$106,179	$173,518
2022	102-500731	Contracts for Prog Svc	TBD	$0	$14,461	$14,461
			Total	$89,787	$120,640	$210,427

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EXPLANATION

This request is **Sole Source** because the contract was originally approved as sole source and MOP 150 requires any subsequent amendments to be labelled as sole source. The original request was **Sole Source** because federal regulations required the Department to specify each vendor's name during the annual, federal Continuum of Care Program renewal application process, prior to the grant award being issued. Based on the application evaluation process, the U.S. Department of Housing and Urban Development (HUD) directs the Department to provide grant awards and the specific amounts to vendors.

The purpose of this request is to continue to provide Permanent Supportive Housing Program that delivers rental and leasing assistance, service access and supportive services to individuals and families who are experiencing homelessness. The program facilitates the movement of individuals, youth, and/or families experiencing homelessness to permanent housing and maximum self-sufficiency. Approximately thirteen (13) households will be served from April 1, 2020 to July 31, 2021.

Using the Housing First model and the development of Stabilization and Crisis Management plans, the vendor will facilitate the movement of each participant into sustained permanent housing while providing connections to community and mainstream services to maximize each participant's ability to live more independently.

The Department will monitor contracted services using the following reports and information:

- Annual reviews relating to compliance with administrative rules and contractual agreements.
- Semi-annual statistical reports, including various demographic information, as well as income and expense reports, to include match dollars.
- Data entry into the New Hampshire Homeless Management Information System, which is the primary reporting tool for outcomes and activities of shelter and housing programs.

As referenced in Exhibit C-1, Revisions to Standard Contract Language, Section 2., Renewal., of the original contract, the parties have the option to extend the agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval. The Department is exercising its option to renew services for four (4) months of the two (2) years available.

Should the Governor and Council not authorize this request, there will be fewer permanent housing options and homeless outreach services available, leaving vulnerable individuals and families in unsafe and potentially deadly situations. Additionally, if data is not collected as required by the contract, the Department will be in non-compliance with federal regulations, which could result in a loss of federal funding for homeless and permanent housing supportive services.

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Area served: Cheshire and Sullivan Counties.

Source of Funds: CFDA #14267, FAIN #NH0092L1T001904

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

Respectfully submitted,

Lori Shibinette

Lori A. Shibinette
Commissioner

New Hampshire Department of Health and Human Services
Continuum of Care, Next Steps Permanent Housing Program

State of New Hampshire
Department of Health and Human Services Amendment #1 to the Continuum of Care, Next Steps Permanent Housing Program Contract

This 1st Amendment to the Continuum of Care, Next Steps Permanent Housing Program Contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Southwestern Community Services, Inc., (hereinafter referred to as "the Contractor"), a nonprofit corporation with a place of business at 63 Community Way, P.O. Box 603, Keene, NH 03431-0603.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on March 25, 2020 (Item #8), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, Section 2., Renewal, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to extend the term of the agreement, increase the price limitation, or modify the scope of services to support continued delivery of these services; and

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

1. Form P-37 General Provisions, Block 1.7, Completion Date, to read:

   July 31, 2021.

2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:

   $210,427.

3. Remove all references to "Next Steps Permanent Housing Program" and replace with "SCS Next Steps Permanent Housing Program" throughout the Agreement.

4. Modify Exhibit A, Scope of Services by replacing in its entirety with Exhibit A - Amendment #1, Scope of Services, which is attached hereto and incorporated by reference herein.

5. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 1. Permanent Housing Program Funding, Subsection 1.2., Paragraph 1.2.3., to read:

   1.2.3. Grant Numbers

   1.2.3.1. NH0092L1T001904 (SFY 2020; April 1, 2020 – June 30, 2020).

   1.2.3.2. NH0092L1T001904 (SFY 2021; July 1, 2020 - June 30, 2021)

   1.2.3.3. NH0092L1T001904 (SFY 2022; July 1, 2021 – July 31, 2021)

6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 1. Permanent Housing Program Funding, Subsection 1.2., by adding Paragraph 1.2.4., to read:

   1.2.4. Total Amount Continuum of Care:

   1.2.4.2. April 1, 2020 – July 31, 2021, not to exceed: $210,427

7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 1. Permanent Housing Program Funding, Subsection 1.2., by adding Paragraph 1.2.5, to read:

1.2.5. Funds allocation under this agreement for the Continuum of Care Program:

		April 1, 2020 - June 30, 2020	July 1, 2020 - June 30, 2021	July 1, 2021 - July 31, 2021
1.2.5.1.	Rental Assistance:	$0	$0	$0
1.2.5.2.	Leasing Assistance:	$0	$0	$0
1.2.5.3.	Operations:	$13,670	$131,982	$10,999
1.2.5.4.	Supportive Services:	$8,235	$37,509	$3,126
1.2.5.5.	Administrative Expenses:	$543	$4027	$336
1.2.5.6.	**Total Program Amount:**	**$22,448**	**$173,618**	**$14,461**
1.2.5.7.	Vendor Match (25%):	$5,747	$44,387	$3,699

Contractor Initials JM
Date 9/29/20

New Hampshire Department of Health and Human Services
Continuum of Care, SCS Next Steps Permanent Housing Program

All terms and conditions of the Contract not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

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

State of New Hampshire
Department of Health and Human Services

October 5, 2020
Date

Christine Santaniello

Name: Christine Santaniello
Title: Director, DEHS

Southwestern Community Services, Inc.

9/29/20
Date

Name: JOHN A MANNING
Title: CEO

New Hampshire Department of Health and Human Services
Continuum of Care, SCS Next Steps Permanent Housing Program

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

OFFICE OF THE ATTORNEY GENERAL

10/13/20
Date

Catherine Pinos
Name:
Title: Catherine Pinos, Attorney

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

OFFICE OF THE SECRETARY OF STATE

_____
Date

_____
Name:
Title:

New Hampshire Department of Health and Human Services
Continuum of Care, SCS Next Steps Permanent Housing Program

Exhibit A – Amendment #1

SCOPE OF SERVICES

Permanent Supportive Housing Program

1. Provisions Applicable to All Services

1.1. The Contractor shall submit a detailed description of the language assistance services they will provided 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; submitted to:

NH DHHS
Bureau of Housing Supports
129 Pleasant Street
Concord, NH 03301

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, through the Bureau of Housing Supports (BHS), has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. Notwithstanding any provisions of this Agreement to the contrary, all obligations of the State are contingent upon receipt of federal funds under the Continuum of Care (CoC) Grant. The State, as the Collaborative Applicant for the Balance of State CoC, and/or, the recipient of the CoC funding, has applied for the CoC Grant and will continue to perform due diligence in the application process. However, the State makes no representation that it will receive the funds. In no event shall the State be liable for costs incurred or payment of any services performed by the Contractor prior to the State's receipt of federal funds applied for in the CoC Grant.

1.4. For the purposes of this agreement, the Department has identified the Contractor as a subrecipient, in accordance with 2 CFR 200.0. et seq.

1.5. Notwithstanding the confidentiality procedures established under 24 CFR Part 578.103(b), US Department of Housing and Urban Development (HUD), the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the Contractor that are pertinent to the CoC grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.

1.6. The Contractor shall maintain adherence to federal and state financial and confidentiality laws, and agrees to comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the 2017 Notice of Funding Available (NOFA) CoC Project Application approved by HUD.

1.7. The Contractor shall provide services according to HUD regulations outlined in Public Law 102-550 and 24 CFR Part 578: CoC Program and other written, appropriate HUD policies/directives.

1.8. All programs shall be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs shall follow NH HMIS policy, including specific information required for data entry, accuracy of data entered, and time required for data entry. Refer to Exhibit K for Information Security requirements and Exhibit I for Privacy requirements.

1.9. The Contractor shall cooperate fully with and answer all questions, related to this contract, of representatives of the State or Federal agencies who may conduct a periodic review of performance or an inspection of records.

1.10. The Contractor shall support the primary goal of this program which is to facilitate the movement of homeless and chronically homeless individuals and families to permanent housing and maximum self-sufficiency.

2. Scope of Services

2.1. The Contractor shall implement a Coordinated Entry System (CES) for all projects funded by the CoC Program, Emergency Solutions Grants (ESG) Program, and Housing Opportunities for Persons with AIDS (HOPWA) Program, in accordance with CoC interim rule, 24 CFR Part 578.

2.2. The Contractor shall provide a Permanent Supportive Housing program comprised of thirteen (13) housing units targeted to serve individuals, youth, and/or, families experiencing homelessness with a focus on those struggling with chronic homelessness, substance abuse, developmental disabilities, and, or, mental health issues by providing housing assistance and supportive services, including but not limited to:

2.2.1. Utilization of the "Housing First" model, ensuring barriers to entering housing are not imposed beyond those required by regulation or statute, and will only terminate project participation for the most severe reasons, once available options have been exhausted to help a participant maintain housing.

2.2.2. The development of a stabilization plan and crisis management plan with the participant, at intake and, at a minimum, annually. An ongoing Assessment of Housing and Supportive Services is required, with the ultimate goal being assistance to the participant in obtaining the skills necessary to live in the community independently.

2.3. The Contractor shall establish and maintain standard operating procedures to ensure CoC program funds are used in accordance with 24 CFR 578 and must establish and maintain sufficient records to enable HUD and BHS to determine Contractor requirement compliance, including:

2.3.1. Continuum of Care Records: The Contractor shall maintain the following documentation related to establishing and operating a CoC:

2.3.1.1. Records of Homeless Status. The Contractor shall maintain acceptable evidence of homeless status in accordance with 24 CFR 576.500(b).

2.3.1.2. Records of at Risk of Homelessness Status: The Contractor shall maintain records that establish "at risk of homelessness" status of each individual or family who receives CoC homelessness prevention assistance, as identified in 24 CFR 576.500(c).

2.3.1.3. Records of Reasonable Belief of Imminent Threat of Harm. The Contractor shall maintain documentation of each program participant who moved to a different CoC due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking, as defined in 24 CFR 578.51(c)(3). The Contractor shall retain documentation that includes, but is not limited to:

2.3.1.3.1 The original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household.

2.3.1.3.2 The reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.

2.3.1.4. Records of Annual Income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the Contractor must keep the following documentation of annual income:

2.3.1.4.1. Income evaluation form specified by HUD and completed by the Contractor; and

2.3.1.4.2. Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement) for the assets held by the program participant and income received before the date of the evaluation;

2.3.1.4.3. To the extent that source documents are unobtainable, a written statement by a relevant third party (e.g., employer, government benefits administrator) or the written certification by the Contractor's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or

2.3.1.4.4. To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the three (3) month period following the evaluation.

2.3.1.5. Program Participant Records. In addition to evidence of homelessness status or at-risk-of-homelessness status, as applicable, the Contractor must keep records for each program participant that document:

2.3.1.5.1. The services and assistance provided to that program participant, including evidence that the Contractor has conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in 24 CFR 578.37(a)(1)(ii)(F); and

2.3.1.5.2. Where applicable, compliance with the termination of assistance requirement in 24 CFR 578.91.

2.3.1.6. Housing Standards. The Contractor must retain documentation of compliance with the housing standards in 24 CFR 578.75(b), including inspection reports.

2.3.1.7. Services Provided. The Contractor must document the types of supportive services provided under the Contractor's program and the amounts spent on those services. The Contractor must keep documentation that these records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.

2.4. The Contractor shall maintain records that document compliance with:

2.4.1. The Organizational conflict-of-interest requirements in 24 CFR 578.95(c).

2.4.2. The Continuum of Care Board conflict-of-interest requirements in 24 CFR 578.95(b).

2.4.3. The Other Conflicts requirements in 24 CFR 578.95(d).

2.5. The Contractor shall develop, implement and retain a copy of the personal conflict-of-interest policy that complies with the requirements in 24 CFR 578.95, including records supporting any exceptions to the personal conflict-of-interest prohibitions.

2.6. The Contractor shall comply and retain documentation of compliance with:

2.6.1. The Homeless Participation requirements in accordance with 24 CFR 578.75(g).

2.6.2. The Faith-based Activities requirements in accordance with 24 CFR 578.87(b).

2.6.3. Affirmatively Furthering Fair Housing by maintaining copies of all marketing, outreach, and other materials used to inform eligible persons of the program in accordance with 24 CFR 578.93(c).

2.6.4. Other Federal Requirements in 24 CFR 578.99, as applicable.

2.6.5. Other Records Specified by HUD. The Contractor must keep other records as specified by HUD.

2.6.6. The Contractor must retain copies of all procurement contracts and documentation of compliance with the Procurement Requirements in 24 CFR 85.36 and 24 CFR part 84.

2.7. Confidentiality. In addition to meeting the specific confidentiality and security requirements for HMIS data (76 FR 76917), the Contractor shall develop and implement written procedures to ensure:

2.7.1. All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance shall be kept secure and confidential as required by this Agreement and state and federal laws and regulations;

2.7.2. The address or location of any family violence project assisted with Continuum of Care funds shall not be made public, except with written authorization of the person responsible for the operation of the project; and

2.7.3. The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality;

2.8. Period of Record Retention. The Contractor shall ensure all records, originals or copies made by microfilming, photocopying, or other similar methods, pertaining to Continuum of Care funds are retained for five (5) years following the Contract Completion Date and receipt of final payment by the Contractor unless records are otherwise required to be maintained for a period in excess of the five (5) year period according to state or federal law or regulation.

3. Program Reporting Requirements

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Contract Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the Contractor is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year Notice of Funding Availability (NOFA). The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.1. Exhibit A; and

3.1.2. Other Reports as requested by the State in compliance with NH HMIS policy.

4. Contract Administration

4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.

4.2. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.

5. Performance Measures

5.1. The Contractor shall adhere to all terms and conditions as set forth in the HUD New Project Application, #SF-424; and

5.1.1. The Contractor shall abide by the performance measures as detailed in all applicable HUD regulations including, but not limited to, those outlined in 24 CFR Part 578: Continuum of Care Program and Public Law 102-550.

5.1.2. The Contractor shall be accountable to all performance measures as detailed in the Annual Performance Report Section 3.1.1. Exhibit A.

5.2. The Bureau Administrator of BHS, or designee, may observe performance, activities and documents under this Agreement.

6. Deliverables

6.1. The Contractor shall implement a Coordinated Entry System, as detailed in Section 2.1. Exhibit A, in accordance with the CoC Program interim rule, 24 CFR Part 578 and as amended.

6.2. The Contractor shall provide a Permanent Supportive Housing program as outlined in Section 2.2. Exhibit A and as outlined in other written HUD policies and directives as appropriate.

6.2.1. Project outcomes shall include, but are not limited to:

6.2.1.1. Participants exit homelessness faster, and once housed, remain stably housed.

6.2.1.2. Participants experience increased connections to:

6.2.1.2.1. Mainstream benefit resources; employment and/or vocational rehab referrals;

6.2.1.2.2. Mental health and/or substance abuse service access and referrals; and

6.2.1.2.3. Service Coordination Partners for educational, vocational, employment and health needs.

6.3. The Contractor shall provide accurate and timely reporting as detailed in Section 3., Program Reporting Requirements, Exhibit A.

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Lori A. Shibinette
Commissioner

Christine L. Santaniello
Director

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

March 6, 2020

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, Division of Economic and Housing Stability, to enter into a sole source agreement with Southwestern Community Services, Inc., 63 Community Way, P.O. Box 603, Keene, NH 03431-0603 (vendor code 177511- R001), to provide a Permanent Housing Program to individuals experiencing homelessness through the Federal Continuum of Care Program, in an amount not to exceed $89,787, effective April 1, 2020 or upon Governor and Executive Council approval, whichever is later, through March 31, 2021. 100% Federal Funds.

Funds are available in the following account for State Fiscal Years 2020 and 2021, with authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

05-95-42-423010-7927 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM

State Fiscal Year	Class/Account	Class Title	Job Number	Amount
2020	102-500731	Contracts for Program Services	TBD	$22,448
2021	102-500731	Contracts for Program Services	TBD	$67,339
		Total		**$89,787**

EXPLANATION

This request is sole source because federal regulations require the Department to identify vendors with whom the Department will contract during the annual federal Continuum of Care Program renewal application process prior to the grant award being issued. The U.S. Department of Housing and Urban Development reviews the applications and subsequently awards funding based on its criteria. The application process and timing of grant terms do not align with state or federal fiscal years. The start date of a grant is based on the month in which each grant's original federal agreement was issued. This results in Continuum of Care Program grant start dates, and subsequent renewal approval requests, occurring in various months throughout the year.

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The purpose of this request is to provide a Permanent Housing Program that delivers permanent housing and supportive services, as well as associated administrative services, to individuals facing homelessness to increase the ability of participants to live more independently.

The vendor will provide permanent housing and supportive services targeted to serve five (5) households previously experiencing chronic homelessness, at any given time, from April 1, 2020 through March 31, 2021.

The attached agreement represents one (1) of thirty (30) total agreements, all of which have renewal dates dispersed throughout the calendar year. The thirty (30) agreements are with vendors who are located throughout the state to ensure statewide delivery of housing services through New Hampshire's Continuum of Care Program.

The U.S. Department of Housing and Urban Development established the Continuum of Care concept to support communities in their efforts to address the problems of housing instability and homelessness in a coordinated, comprehensive, and strategic fashion. The Continuum of Care serves three main purposes:

(1) A strategic planning process for addressing homelessness in the community.

(2) A process to engage broad-based, community-wide involvement in addressing homelessness on a year-round basis.

(3) An opportunity for communities to submit an application to the U.S. Department of Housing and Urban Development for resources targeting housing and support services for individuals and families who face homelessness.

The Department ensures contract compliance and vendor performance in the following ways:

(1) Annual compliance reviews are performed and include the collection of data relating to compliance with administrative rules and contractual agreements.

(2) Statistical reports are submitted by the vendor on a semi-annual basis which include various demographic information and income and expense reports, including match dollars.

(3) The vendor is required to maintain timely and accurate data entry in the New Hampshire Homeless Management Information System, which is the primary reporting tool for outcomes and activities of shelter and housing programs funded through these contracts.

As referenced in Exhibit C-1 of this contract, the parties have the option to extend contract services for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Executive Council approval.

Should the Governor and Executive Council not authorize this request, Permanent Housing and supportive services for homeless individuals may not be available in their communities, and there may be an increase in demand for services placed upon the region's local welfare authorities. Lack of services may also cause individuals to become homeless.

Area served: Cheshire County

Source of funds: 100% Federal Funds from the U.S. Department of Housing and Urban Development, Office of Community Planning and Development, Catalog of Federal Domestic Assistance Number (CFDA) #14.267, Federal Award Identification Number (FAIN) # TBD.

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

Respectfully submitted,

Lori Shibinette

Lori A. Shibinette
Commissioner

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FORM NUMBER P-37 (version 5/8/15)

Subject: Continuum of Care, Next Steps Permanent Housing Program (SS-2020-BHS-04-PERMA-15)

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, Inc.		1.4 Contractor Address 63 Community Way P.O. Box 603 Keene, NH 03431-0603	
1.5 Contractor Phone Number 603) 352-7512	1.6 Account Number 05-95-42-423010-7927 102-500731	1.7 Completion Date March 31, 2021	1.8 Price Limitation $89,787
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature John A. Manning		1.12 Name and Title of Contractor Signatory John A. Manning, CEO	

1.13 Acknowledgement: State of , County of

On March 5, 2020, 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]

JILL A. TOMLIN, Justice of the Peace
State of New Hampshire
My Commission Expires April 5, 2022

1.13.2 Name and Title of Notary or Justice of the Peace
Jill Tomlin - JOP

1.14 State Agency Signature Christina Santanielli Date: 3/4/20	1.15 Name and Title of State Agency Signatory Christina Santanielli, Director of HHS

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: 3/9/20

1.18 Approval by the Governor and Executive Council *(if applicable)*

By: On:

JM 3/5/2020

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 JM
Date 11/5/2020

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 $1,000,000per 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 JM

Date 3/5/2020

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: JM
Date: 7/15/2020

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SCOPE OF SERVICES

Permanent Housing Program

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, submitted to:

NH DHHS
Bureau of Housing Supports
105 Pleasant Street
Concord, NH 03301

1.2. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the services described herein, the State, through the Bureau of Housing Supports (BHS), has the right to modify service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. For the purposes of this agreement, the Department has identified the Contractor as a subrecipient in accordance with 2 CFR 200.300.

1.4. Notwithstanding the confidentiality procedures established under 24 CFR 578.103(b), US Department of Housing and Urban Development (HUD), the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the Contractor that are pertinent to the Continuum of Care (CoC) grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period, but last as long as the records are retained.

1.5. The Contractor shall adhere to federal and state financial and confidentiality laws, and comply with the program narratives, budget detail and narrative, and amendments thereto, as detailed in the applicable Notice of Funding Available (NOFA) CoC Project Application approved by HUD.

1.6. The Contractor shall provide services according to HUD regulations outlined in Public Law 102-550 and 24 CFR 578 and other written, appropriate HUD policies and directives.

1.7. The Contractor shall ensure all programs are licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs shall follow NH HMIS policy, including specific information required for data entry, accuracy of data entered, and time required for data entry. The Contractor shall comply with Exhibit I, Health Insurance Portability and Accountability Act Business Associate Agreement and Exhibit K, DHHS Security Requirements, which are attached hereto and incorporated by reference herein.

1.8. The Contractor shall cooperate fully with and answer all questions related to this contract from representatives of the State or Federal agencies who may conduct periodic observation and review of performance, activities and an inspection of records and documents.

1.9. The Contractor shall support the primary goal of this program, which is to facilitate the movement of homeless and chronically homeless individuals and families to permanent housing and maximum self-sufficiency.

2. **Scope of Work**

2.1. The Contractor shall implement a Coordinated Entry System for all projects funded by the CoC Program, Emergency Solutions Grants Program, and Housing Opportunities for Persons with AIDS Program, in accordance with CoC Interim rule, 24 CFR 578, and as amended.

2.2. The Contractor shall provide a Permanent Housing program that is targeted to serve five (5) homeless individuals and two (2) homeless families, and which includes but is not limited to:

2.2.1. Utilizing the Housing First model, ensuring:

2.2.1.1. Barriers to entering housing are not imposed beyond those required by regulation or statute; and

2.2.1.2. Participation will only terminate for the most severe reasons, once available options have been exhausted to help a participant maintain housing.

2.2.2. Developing of a stabilization plan and crisis management plan with the participant at intake and, at a minimum, annually. An ongoing Assessment of Housing and Supportive Services is required, with the ultimate goal being assistance to the participant in obtaining the skills necessary to live in the community independently.

2.3. The Contractor shall establish and maintain standard operating procedures to ensure CoC program funds are used in accordance with 24 CFR 578 and shall establish and maintain sufficient records to enable HUD and BHS to determine Contractor requirement compliance, including:

2.3.1. Continuum of Care Records: The Contractor shall maintain the following documentation related to establishing and operating a CoC:

2.3.1.1. Records of Homeless Status. The Contractor shall maintain acceptable evidence of homeless status in accordance with 24 CFR 576.500(b);

2.3.1.2. Records of at Risk of Homelessness Status. The Contractor shall maintain records that establish "at risk of homelessness" status of each individual or family who receives CoC homelessness prevention assistance, as identified in 24 CFR 576.500(c); and

2.3.1.3. Records of Reasonable Belief of Imminent Threat of Harm. The Contractor shall maintain documentation of each program participant who moved to a different CoC due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking, as defined in 24 CFR 578.51(c)(3). The Contractor shall retain documentation that includes, but is not limited to:

2.3.1.3.1 The original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file. This may be written observation of the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; court records or law enforcement records; or written certification by the program participant to whom the violence occurred or by the head of household; and

2.3.1.3.2 The reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking, which would include threats from a third-party, such as a friend or family member of the perpetrator of the violence. This may be written observation by the housing or service provider; a letter or other documentation from a

victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.

2.3.1.4. Records of Annual Income. For each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, the Contractor shall keep the following documentation of annual income:

2.3.1.4.1. Income evaluation form specified by HUD and completed by the Contractor;

2.3.1.4.2. Source documents, which may include the most recent wage statement, unemployment compensation statement, public benefits statement, and bank statements for the assets held by the program participant and income received before the date of the evaluation; and

2.3.1.4.3. To the extent that source documents are unobtainable, a written statement by a relevant third party, which may include an employer or a government benefits administrator, or the written certification by the Contractor's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or

2.3.1.4.4. To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the three (3) month period following the evaluation.

2.3.1.5. Program Participant Records. In addition to evidence of homelessness status or at-risk-of-homelessness status, as applicable, the Contractor shall keep records for each program participant that document:

2.3.1.5.1. The services and assistance provided to that program participant, including evidence that the Contractor conducted an annual assessment of services for those program participants that remain in the program for more than a year and adjusted the service package accordingly, and including case management services as provided in 24 CFR 578.37(a)(1)(ii)(F); and

2.3.1.5.2. Where applicable, compliance with the termination of assistance requirement in 24 CFR 578.91.

2.3.1.6. Housing Standards. The Contractor shall retain documentation of compliance with the housing standards in 24 CFR 578.75(b), including inspection reports.

2.3.1.7. Services Provided. The Contractor shall document the types of supportive services provided under the Contractor's program and the amounts spent on those services. The Contractor shall keep documentation that the records were reviewed at least annually and that the service package offered to program participants was adjusted as necessary.

2.4. The Contractor shall maintain records that document compliance with:

2.4.1. The Organizational conflict-of-interest requirements in 24 CFR 578.95(c);

2.4.2. The Continuum of Care Board conflict-of-interest requirements in 24 CFR 578.95(b); and

2.4.3. The Other Conflicts requirements in 24 CFR 578.95(d).

2.5. The Contractor shall develop, implement and retain a copy of the personal conflict-of-interest policy that complies with the requirements in 24 CFR 578.95, including records supporting any exceptions to the personal conflict-of-interest prohibitions.

2.6. The Contractor shall comply and retain documentation of compliance with:

2.6.1. The Homeless Participation requirements in accordance with 24 CFR 578.75(g);

2.6.2. The Faith-based Activities requirements in accordance with 24 CFR 578.87(b);

2.6.3. Affirmatively Furthering Fair Housing by maintaining copies of all marketing, outreach, and other materials used to inform eligible persons of the program in accordance with 24 CFR 578.93(c);

2.6.4. Other Federal Requirements in 24 CFR 578.99, as applicable;

2.6.5. Other Records Specified by HUD. The Contractor must keep other records as specified by HUD; and

2.6.6. Procurement Requirements in 24 CFR 85.36 and 24 CFR part 84.

2.7. Confidentiality. In addition to meeting specific confidentiality and security requirements for HMIS data (76 FR 76917), the Contractor shall develop and implement written procedures to ensure:

2.7.1. All records containing protected identifying information of any individual or family who applies for and/or receives Continuum of Care assistance shall be kept secure and confidential;

2.7.2. The address or location of any family violence project assisted with Continuum of Care funds are not to be made public, except with written authorization of the person responsible for the operation of the project; and

2.7.3. The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality.

2.8. Period of Record Retention. The Contractor shall ensure all records, originals or copies made by microfilming, photocopying, or other similar methods, pertaining to Continuum of Care funds are retained for five (5) years following the Contract Completion Date and receipt of final payment by the Contractor unless records are otherwise required to be maintained for a period in excess of the five (5) year period according to state or federal law or regulation.

3. **Program Reporting Requirements**

3.1. The Contractor shall submit the following reports:

3.1.1. Annual Performance Report (APR): Within thirty (30) days after the Contract Completion Date, an APR shall be submitted to BHS that summarizes the aggregate results of the Project Activities, showing in particular how the Contractor is carrying out the project in the manner proposed in the application submitted to HUD for the relevant fiscal year NOFA. The APR shall be in the form required or specified by the State, and submitted to the address listed in section 1.1. above;

3.1.2. Annually, the Contractor shall develop and submit to the DHHS, a corrective action plan for any performance measure that was not achieved; and

3.1.3. Other Reports as requested by the State in compliance with NH HMIS policy.

4. **Contract Administration**

4.1. The Contractor shall have appropriate levels of staff to attend all meetings or trainings requested by BHS, including training in data security and confidentiality, according to state and federal laws. To the extent possible, BHS shall notify the Contractor of the need to attend such meetings five (5) working days in advance of each meeting.

4.2. The Contractor shall inform BHS of any staffing changes within thirty (30) days of the change.

6. **Performance Measures**

5.1. The Contractor shall adhere to all terms and conditions as set forth in the applicable HUD Project Application #SF-424.

5.2. The Contractor shall abide by the performance measures as detailed in all applicable HUD regulations including, but not limited to the following:

5.2.1. https://www.hudexchange.info/programs/coc/system-performance-measures/#guidance;

5.2.2. 24 CFR 578; Continuum of Care Program; and

5.2.3. Public Law 102-550.

5.3. The Contractor shall be accountable for all reporting requirements as detailed above in Section 3., Program Reporting Requirements.

5.4. Annually, the Contractor shall develop and submit to the DHHS, a corrective action plan for any performance measure that was not achieved.

New Hampshire Department of Health and Human Services
Continuum of Care, Next Steps Permanent Housing Program
Exhibit B

METHOD AND CONDITIONS PRECEDENT TO PAYMENT

1. Permanent Housing Program Funding

1.1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided pursuant to Exhibit A, Scope of Services.

1.2. This Agreement is funded with federal funds made available through the U.S. Department of Housing and Urban Development, Title XIV Housing Programs under the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), Subtitle A-Housing Assistance (Public Law 102-550), under the Catalog of Federal Domestic Assistance (CFDA) and Federal Award Identification Number (FAIN) as follows:

1.2.1. Federal Funds: 100%

1.2.2. CFDA #: 14.267

1.2.3. FAIN #: TBD

1.3. The Contractor shall provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the Contractor's current and/or future funding.

2. Financial Reports

2.1. As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

2.1.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with 2 CFR part 200.

2.1.2. One (1) copy of the Audited Financial Report within thirty (30) days of the completion of said report to the State at the following address:

NH DHHS
Bureau of Housing Supports
105 Pleasant Street
Concord, NH 03301

2.2. Conformance with 2 CFR part 200: The Contractor shall use grant funds only in accordance with procedures, requirements, and principles specified in 2 CFR part 200.

2.3. If the Contractor is not subject to the audit requirements of 2 CFR part 200, the Contractor shall submit one (1) copy of an audited financial report to the Department utilizing the guidelines set forth by the Comptroller General of the United States in "Standards for Audit of Governmental Organizations, Program Activities, and Functions," within ninety (90) days after contract completion date.

3. Project Costs: Payment Schedule; Review by the State

3.1. Project Costs: As used in this Agreement, the term "Project Costs" means all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment, in accordance with Public Law 102-550, as well as allowable cost standards set forth in 2 CFR part 200 as revised from time to time and with the rules, regulations, and guidelines established by the State. All subcontractors shall meet the requirements of 2 CFR part 200.

3.2. Continuum of Care funds may be used to pay for eligible costs listed in 24 CFR 578.39 through 578.63 when used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homeless prevention. Administrative costs are eligible for all components. All components are subject to the restrictions on combining funds for certain eligible activities in a single project found in 24 CFR 578.87(c).

3.3. Match Funds:

3.3.1. The Contractor shall provide sufficient matching funds, as required by HUD regulations and policies described in 24 CFR 578.73.

3.3.2. Match requirements shall be documented with each payment request.

3.3.3. The Contractor shall match all grant funds except for leasing funds, with no less than twenty-five (25) percent of funds or in-kind contributions from other sources.

3.3.4. The Contractor shall utilize cash match for the cost of activities that are eligible under subpart D of 24 CFR 578. The Contractor shall:

3.3.4.1. Maintain records of the source and use of contributions made to satisfy the match requirement in 24 CFR 578.73.

3.3.4.2. Ensure records indicate the grant and fiscal year for which each matching contribution is counted.

3.3.4.3. Ensure records include methodologies that specify how the values of third party in-kind contributions were derived.

3.3.4.4. Ensure records include, to the extent feasible, volunteer services that are supported by the same methods used to support the allocation of regular personnel costs.

3.4. Payment of Project Costs:

3.4.1. The State agrees to provide payment on a cost reimbursement basis for actual, eligible expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved line items as specified in Exhibit B-X, Budget, and as defined by HUD under the provisions of Public Law 102-550 and other applicable regulations, subject to the availability of sufficient funds.

3.4.2. The Contractor shall only be reimbursed for those costs designated as eligible and allowable costs as stated in Section 4. Expense Eligibility, below. The Contractor must have written approval from the State prior to billing for any other expenses.

3.4.3. Schedule of Payments:

3.4.3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fifteenth (15th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.

3.4.3.2. 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.

3.4.3.3. The Contractor shall keep records of their activities related to Department programs and services, and shall provide such records and any additional financial information if requested by the State to verify expenses.

3.4.3.4. In lieu of hard copies submitted to the address listed in Paragraph 2.1.2., above., all invoices may be assigned an electronic signature and emailed to: housingsupportsinvoices@dhhs.nh.gov

3.5. Review of the State Disallowance of Costs:

3.5.1. At any time during the performance of the Services, and upon receipt of the Annual Performance Report, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date.

3.5.2. Upon such review, the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice, specifying the disallowed expenditures, informing the Contractor of any such disallowance.

3.5.3. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this Agreement are subject to recapture.

3.5.4. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services, products, required report submissions, as detailed in Exhibits A and B, or NH-HMIS data entry requirements have not been satisfactorily completed in accordance with the terms and conditions of this Agreement.

4. Expense Eligibility

4.1. Based on the continued receipt/availability of federal funds, the Contractor shall utilize Continuum of Care Program funds specified in this Exhibit B from the HUD Continuum of Care Program, for contract services.

4.2. Operating Expenses:

4.2.1. Eligible operating expenses include:

4.2.1.1. Maintenance and repair of housing.

4.2.1.2. Property taxes and insurance (including property and car).

4.2.1.3. Scheduled payments to reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost).

4.2.1.4. Building security for a structure where more than fifty (50) percent of the units or area is paid for with grant funds.

4.2.1.5. Utilities, including electricity, gas and water.

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4.2.1.6. Furniture and equipment.

4.2.2. Ineligible costs include:

4.2.2.1. Rental assistance and operating costs in the same project.

4.2.2.2. Operating costs of emergency shelter and supportive service-only facilities.

4.2.2.3. Maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

4.2.2.4. Ineligible costs. Any cost not described as eligible under section 4.3.3 below is not an eligible cost of providing supportive services using Continuum of Care program funds. Staff training and costs of obtaining professional licensure or certifications needed to provide supportive services are not eligible costs.

4.3. Supportive Services

4.3.1. Eligible supportive services costs shall comply with all HUD regulations in 24 CFR 578.53, and are available to individuals actively participating in the permanent housing program.

4.3.2. Special populations. All eligible costs are eligible to the same extent for program participants who are unaccompanied homeless youth; persons living with HIV/AIDS; and victims of domestic violence, dating violence, sexual assault, or stalking.

4.3.3. Eligible costs shall include:

4.3.3.1. Annual assessment of Service Needs. The costs of the assessment required by 578.53(a) (2).

4.3.3.2. Assistance with moving costs. Reasonable one-time moving costs are eligible and include truck rental and hiring a moving company.

4.3.3.3. Case management. The costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant(s) are eligible costs.

4.3.3.4. Child Care. The costs of establishing and operating child care, and providing child-care vouchers, for children from families experiencing homelessness, including providing meals and snacks, and comprehensive and coordinated developmental activities are eligible.

4.3.3.5. Education Services. The costs of improving knowledge and basic educational skills are eligible.

4.3.3.6. Employment assistance and job training. The costs of establishing and operating employment assistance and job training programs are eligible, including classroom, online and/or computer instruction, on-the-job instruction, services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is also an eligible cost.

4.3.3.7. Food. The cost of providing meals or groceries to program participants is eligible.

4.3.3.8. Housing search and counseling services. Costs of assisting eligible program participants to locate, obtain, and retain suitable housing are eligible.

4.3.3.9. Legal services. Eligible costs are the fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with homeless individual or family's ability to obtain and retain housing.

4.3.3.10. Life Skills training. The costs of teaching critical life management skills that may never have been learned or have been lost during course of physical or mental illness, domestic violence, substance abuse, and homelessness are eligible. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are the budgeting of resources and money management, household management, conflict management, shopping for food and other needed items, nutrition, the use of public transportation, and parent training.

4.3.3.11. Mental Health Services. Eligible costs are the direct outpatient treatment of mental health conditions that are provided by licensed professionals. Component services are crisis interventions; counseling; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.

4.3.3.12. Outpatient health services. Eligible costs are the direct outpatient treatment of medical conditions when provided by licensed medical professionals.

4.3.3.13. Outreach Services. The costs of activities to engage persons for the purpose of providing immediate support and intervention, as well as identifying potential program participants, are eligible.

4.3.3.14. Substance abuse treatment services. The costs of program participant intake and assessment, outpatient treatment, group and individual counseling, and drug testing are eligible. Inpatient detoxification and other inpatient drug or alcohol treatment are ineligible.

4.3.3.15. Transportation Services, as described in 24CFR 578(e) (15).

4.3.3.16. Utility Deposits. This form of assistance consists of paying for utility deposits. Utility deposits must be one-time, paid directly to utility companies.

4.3.3.17. Direct provision of services. If a service described in items 4.3.3.1. through 4.3.3.16. of this section is being directly delivered by the recipient or subrecipient, eligible costs for those services also include the following:

4.3.3.17.1. The costs of labor or supplies, and materials incurred by the recipient or subrecipient in directly providing supportive services to program participants; and

4.3.3.17.2. The salary and benefit packages of the recipient and subrecipient staff who directly deliver the services.

4.3.4. Grant funds may be used for rental assistance for homeless individuals and families.

4.3.5. Rental assistance cannot be provided to a program participant who is already receiving rental assistance, or living in a housing unit receiving rental assistance or operating assistance through other federal, State, or local sources.

4.3.6. Rental assistance shall be administered in accordance with the policies and procedures established by the Continuum as set forth in 24 CFR 578.7(a) (9) and 24 CFR 578.51, and may be:

4.3.6.1. Short term, up to 3 months of rent;

4.3.6.2. Medium term, for 3-24 months; or

4.3.6.3. Long-term, for longer than 24 months.

4.3.7. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent.

4.3.8. An advance payment of the last month's rent may be provided to the landlord, in addition to the security deposit and payment of first month's rent.

4.3.9. Rental assistance will only be provided for a unit if the rent is reasonable, as determined by the Contractor, in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit.

4.3.10. The Contractor may use grant funds in an amount not to exceed one month's rent to pay for any damage to housing due to the action of a program participant. For Leasing funds only. Property damages may be paid only from funds paid to the landlord from security deposits.

4.3.11. Housing shall be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is located regarding the condition of the structure and operation of the housing or services.

4.3.12. The Contractor shall provide one of the following types of rental assistance: Tenant-based, Project-based, or Sponsor-based rental assistance as described by HUD in 24 CFR 578.51.

4.3.12.1. Tenant-based rental assistance is rental assistance in which program participants choose housing of an appropriate size in which to reside. When necessary to facilitate the coordination of supportive services, recipients and subrecipients may require program participants to live in a specific area for their entire period of participation, or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Short and medium term rental assistance provided under the Rapid Re-Housing program component must be tenant-based rental assistance.

4.3.12.2. Sponsor-based rental assistance is provided through contracts between the recipient and sponsor organization. A sponsor may be a private, nonprofit organization, or a community mental health agency established

as a public nonprofit organization. Program participants must reside in housing owned or leased by the sponsor.

4.3.12.3. Project-based rental assistance is provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.

4.3.12.4. For project-based, sponsor-based, or tenant-based rental assistance, program participants must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party.

4.4. Administrative Costs:

4.4.1. Eligible administrative costs include:

4.4.1.1. The Contractor may use funding awarded under this part, for the payment of project administrative costs related to the planning and execution of Continuum of Care activities. This does not include staff and overhead costs directly related to carrying out activities eligible under 24 CFR 578.43 through 578.57, because those costs are eligible as part of those activities.

4.4.1.2. General management, oversight, and coordination. Costs of overall program management, coordination, monitoring and evaluation. These costs include, but are not limited to, necessary expenditures for the following:

4.4.1.2.1. Salaries, wages, and related costs of the Contractor's staff, or other staff engaged in program administration.

4.4.1.2.1.1. In charging costs to this category, the Contractor may include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The Contractor may only use one of these methods for each fiscal year grant. Program administration assignments include the following:

4.4.1.2.1.1.1. Preparing program budgets and schedules, and amendments to those budgets and schedules;

4.4.1.2.1.1.2. Developing systems for assuring compliance with program requirements;

4.4.1.2.1.1.3. Developing interagency agreements and agreements with subrecipients and Contractors to carry out program activities;

4.4.1.2.1.1.4. Monitoring program activities for progress and compliance with program requirements;

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4.4.1.2.1.1.5. Preparing reports and other documents related to the program for submission to HUD;

4.4.1.2.1.1.6. Coordinating the solution of audit and monitoring findings;

4.4.1.2.1.1.7. Preparing reports and other documents directly related to the program submission to HUD;

4.4.1.2.1.1.8. Evaluating program results against stated objectives;

4.4.1.2.1.1.9. Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in sections 4.5.1.2.1.1.1. through 4.5.1.2.1.1.8. above;

4.4.1.2.1.1.10. Travel costs incurred for official business in carrying out the program;

4.4.1.2.1.1.11. Administrative services performed under third party contracts or agreements, including such services as general legal services, accounting services, and audit services;

4.4.1.2.1.1.12. Other costs for goods and services required for administration of the program, including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance, but not purchase, of office space;

4.4.1.2.1.1.13. Training on Continuum of Care requirements. Costs of providing training on Continuum of Care requirements and attending HUD-Sponsored Continuum of Care trainings; and

4.4.1.2.1.1.14. Environmental review. Costs of carrying out the environmental review responsibilities under 24 CFR 578.31

4.5. Leasing:

4.5.1. When the Contractor is leasing the structure, or portions thereof, grant funds may be used to pay for 100 percent of the costs of leasing a structure or structures, or portions thereof, to provide housing or supportive services to homeless persons for up to three (3) years. Leasing funds may not be used to lease units or structures owned by the contractor, their parent organization, any other related organization(s), or organizations that are members of a partnership, where the partnership owns the structure, unless HUD authorized an exception for good cause.

4.5.2. Requirements:

4.5.2.1. Leasing structures. When grants are used to pay rent for all or part of a structure or structures, the rent paid must be reasonable in relation to rents being charged in the area for comparable space. In addition, the rent paid

may not exceed rents currently being charged by the same owner for comparable unassisted space.

4.5.2.2. Leasing individual units. When the grant funds are used to pay rent for individual housing units, the rent paid must reasonable in relation to rents being charged for comparable units, taking into account the location, size, type, quality, amenities, facilities, and management services. In addition, the rents may not exceed rents currently being charged for comparable units, and the rent paid may not exceed HUD-determined fair market rents.

4.5.2.3. Utilities. If electricity, gas, and water are included in the rent, these utilities may be paid from leasing funds. If utilities are not provided by the landlord, these utility costs are operating costs, except for supportive service facilities. If the structure is being used as a supportive service facility, then these utility costs are a supportive service cost.

4.5.2.4. Security deposits and first and last month's rent. The Contractor may use grant funds to pay security deposits, in an amount not to exceed 2 months of actual rent. An advance payment of last month's rent may be provided to the landlord in addition to security deposit and payment of the first month's rent.

4.5.2.5. Occupancy agreements and subleases. Occupancy agreements and subleases are required as specified in 24 CFR 578.77(a).

4.5.2.6. Calculation of occupancy charges and rent. Occupancy charges and rent from program participants must be calculated as provided in 24 CFR 578.77.

4.5.2.7. Program Income. Occupancy charges and rent collected from program participants are program income and may be used as provided under 24 CFR 578.97.

4.5.2.8. Transition. Refer to 24CFR 578.49(b)(8).

4.5.2.9. Rent paid may only reflect actual costs and must be reasonable in comparison to rents charged in the area for similar housing units. Documentation of rent reasonableness must be kept on file by the Contractor.

4.5.2.10. The portion of rent paid with grant funds may not exceed HUD-determined fair market rents.

4.5.2.11. The Contractor shall pay individual landlords directly; funds may not be given directly to participants to pay leasing costs.

4.5.2.12. Property damages may only be paid from money paid to the landlord for security deposits.

4.5.2.13. The Contractor cannot lease a building that it already owns to itself.

4.5.2.14. Housing must be in compliance with all State and local housing codes, licensing requirements, the Lead-Based Paint Poisoning Prevention Act, and any other requirements of the jurisdiction in which the housing is

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located regarding the condition of the structure and operation of the housing or services.

4.6. The Contractor may charge program participants rent and utilities (heat, hot water). However, the amount charged may not exceed the maximum amounts specified in HUD regulations (24 CFR 578.77). Other services such as cable, air conditioning, telephone, Internet access, cleaning, parking, pool charges, etc. are at the participant's option.

4.7. The Contractor shall have any staff charged in full or part to this contract, or counted as match, complete weekly or bi-weekly timesheets.

5. **Contractor Financial Management System**

5.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures that ensure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.

5.2. The Contractor shall maintain a financial management system that complies with 2 CFR part 200 or such equivalent system as the State may require.

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Kidd Stein Permitment Housing

Cal-Fields

SFY20 - 4/1/20-6/30/20

Activity Name	TOTAL PROGRAM COST			CONTRACTOR SHARE			BHS SHARE		
	BUDGET	YTD	MONTHLY	BUDGET	YTD	MONTHLY	BUDGET	YTD	MONTHLY
Operations - Maintenance/Repair	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Operations - Property Taxes/Insurance	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Operations - Electricity, Gas, & Water	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Operations - Furniture	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Supportive Services - Case Management	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Supportive Services - Food	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Supportive Services - Life Skills	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Supportive Services - Transportation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Administration	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25% Required Match	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL HUD FUNDS BALANCE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SFY21 - 7/1/20-3/31/21

Activity Name	TOTAL PROGRAM COST			CONTRACTOR SHARE			BHS SHARE		
	BUDGET	YTD	MONTHLY	BUDGET	YTD	MONTHLY	BUDGET	YTD	MONTHLY
Operations - Maintenance/Repair	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Operations - Property Taxes/Insurance	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Operations - Electricity, Gas, & Water	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Operations - Furniture	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Supportive Services - Case Management	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Supportive Services - Food	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Supportive Services - Life Skills	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Supportive Services - Transportation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Administration	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25% Required Match	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL HUD FUNDS BALANCE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL - 4/1/20-3/31/21

Activity Name	TOTAL PROGRAM COST			CONTRACTOR SHARE			BHS SHARE		
	BUDGET	YTD	MONTHLY	BUDGET	YTD	MONTHLY	BUDGET	YTD	MONTHLY
Operations - Maintenance/Repair	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Operations - Property Taxes/Insurance	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Operations - Electricity, Gas, & Water	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Operations - Furniture	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Supportive Services - Case Management	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Supportive Services - Food	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Supportive Services - Life Skills	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Supportive Services - Transportation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Administration	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25% Required Match	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL HUD FUNDS BALANCE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total HUD Match $ [illegible]

Contractor Initials CM
Date 3/5/2020

San Gabriel Community Services, Inc.
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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 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

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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.

REVISIONS TO STANDARD CONTRACT LANGUAGE

1. Revisions to Form P-37, General Provisions

1.1. Section 4, 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.

1.2. Section 10, 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.

2. Renewal

2.1. The Department reserves the right to extend this agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, written agreement of the parties and approval of the Governor and Executive Council.

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CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Vendor 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

Vendor Initials JM
Date 3/5/2020

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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.

Vendor Name:
Southwestern Community Services, Inc

3/5/2020
Date

Name: John A Manning
Title: CEO

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CERTIFICATION REGARDING LOBBYING

The Vendor 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.

Vendor Name: Southwestern Community Services, Inc.

3/5/2020
Date

Name: John A. Manning
Title: CEO

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CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Vendor 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.

Vendor Name: Southeastern Community Services, Inc.

3/5/2020
Date

Name: John A. Manning
Title: CEO

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

The Vendor 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:

Vendor 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.

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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 Vendor 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 Vendor agrees to comply with the provisions indicated above.

Vendor Name: Southwestern Community Services, Inc

3/5/2020
Date

Name: John A. Manning
Title: CEO

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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 Vendor 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 Vendor 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.

Vendor Name: Southwestern Community Services, Inc.

3/5/2020
Date

John A. Manning
Name: John A. Manning
Title: CEO

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HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 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, TitleXIII, 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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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

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:

- The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- The unauthorized person used the protected health information or to whom the disclosure was made;
- Whether the protected health information was actually acquired or viewed
- 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

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

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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e. Seoregation. 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.

Department of Health and Human Services	Southwestern Community Services, Inc
The State	Name of the Contractor
Christine Santaniello	John A. Manning
Signature of Authorized Representative	Signature of Authorized Representative
Christine Santaniello	John A. Manning
Name of Authorized Representative	Name of Authorized Representative
Director, DEHS	Chief Executive Officer
Title of Authorized Representative	Title of Authorized Representative
3/4/2020	3/5/2020
Date	Date

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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: Southwestern Community Services, Inc

3/5/2020
Date

Name: John A. Manning
Title: CEO

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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: _____

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: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   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

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

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

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

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 the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. 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 and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

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 Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov