



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

Lori A. Weaver  
Interim Commissioner

Joseph E. Ribsam, Jr.  
Director

129 PLEASANT STREET, CONCORD, NH 03301-3857  
603-271-4451 1-800-852-3345 Ext. 4451  
Fax: 603-271-4729 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

April 17, 2023

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 for Children, Youth and Families, to enter into a contract with Granite Pathways (VC# 228900-B001), Manchester, NH, in the amount of \$388,594 for the provision of Community Navigator outreach services to families, with the option to renew for up to two (2) additional years, effective upon Governor and Council approval through June 30, 2025. 100% Federal Funds.

Funds are available in the following account for State Fiscal Year 2023, and are anticipated to be available in State Fiscal Years 2024 and 2025, 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.

**05-95-042-4210-24640000 HEALTH AND HUMAN SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: HUMAN SERVICES, CHILD PROTECTION, ARPA CAPTA**

State Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2023	074-500585	Contracts for Opr Svc	TBD	\$44,612
2024	074-500585	Contracts for Opr Svc	TBD	\$171,991
2025	074-500585	Contracts for Opr Svc	TBD	\$127,379
			<b>Subtotal</b>	<b>\$343,982</b>

**05-95-042-4210-29690000 HEALTH AND HUMAN SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: HUMAN SERVICES, CHILD PROTECTION, CAPTA**

State Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2025	102-500731	Contracts for Prog Svc	TBD	\$44,612
			<b>Subtotal</b>	<b>\$44,612</b>
			<b>Total</b>	<b>\$388,594</b>

### EXPLANATION

The purpose of this request is to provide Community Navigator outreach services to families who do not rise to the level of being assessed by the Division for Children Youth and Families (DCYF), by educating professional reporters and families on available resources in their specific region and assisting families with navigating referrals to specific resource(s) in order to connect families with community supports and services. The goal of these services are to connect families identified in DCYF Central Intake screen out reports to community resources and referrals and to engage reporters who file reports by outreaching the identified reporter and educating them on supporting a family.

Approximately 2,400 families could be served during State Fiscal Years 2023, 2024, and 2025.

The target population includes caregivers under the age of 26, families with children under the age of three, pregnant women and legal guardians who are reported to DCYF Central Intake but do not meet the stated criteria for a formal assessment and as a result has been screened out but could benefit from continued community supportive services. The Contractor will provide Community Navigator outreach services to both reporters and families. This outreach will:

- Educate reporters on the program and discuss the report.
- Educate families on available resources in their region, and connect the family by providing information or meeting directly with the families to assist with navigating the referral to specific resources in the community.
- Ensure families are successfully engaged with Family Resource Centers in order to reduce the rate of recidivism and future DCYF involvement.

The Department will monitor services by the amount of successful family and reporter engagements.

The Department selected the Contractor through a competitive bid process using a Request for Proposals (RFP) that was posted on the Department's website from July 18, 2022 through August 31, 2022. The Department received six (6) responses that were reviewed and scored by a team of qualified individuals. The Scoring Sheet is attached.

As referenced in Exhibit A, Revisions to Standard Agreement Provisions, Section 1, Subsection 1.1. of the attached agreement, 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.

Should the Governor and Council not authorize this request the children and families of the target population may not be aware of the support services available for them to access in their community, placing them at risk of future reports to DCYF and possible abuse and/or neglect to occur.

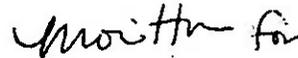
Area served: Statewide

Source of Federal Funds: Assistance Listing Number 93.669, FAIN 2101NHNCC6

Assistance Listing Number 93.669, FAIN 2101NHNCAN

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. Weaver  
Interim Commissioner

New Hampshire Department of Health and Human Services  
 Division of Finance and Procurement  
 Bureau of Contracts and Procurement  
 Scoring Sheet

Project ID # **RFP-2023-DCYF-01-COMMU**

Project Title **Community Navigator Program**

	Maximum Points Available	1. Arkansas Foundation for Medical Care	2. Ascenria	3. ESB Public Health Consulting	4. Granite Pathways	5. NH Childrens Trust	6. Waypoint
<b>Technical</b>							
Team Structure (Q1)	20	15	15	15	18	15	15
Implementation (Q2)	40	34	30	25	38	25	34
Experience (Q3)	50	45	42	28	48	43	45
Outreach and Education (Q4)	50	45	35	20	48	25	39
Staffing (Q5)	40	34	30	20	38	32	34
Access and Availability to Services (Q6)	30	22	15	10	28	22	22
<b>Subtotal - Technical</b>	<b>230</b>	<b>195</b>	<b>167</b>	<b>118</b>	<b>218</b>	<b>162</b>	<b>189</b>
<b>Cost</b>							
Budget Sheet	35	28	30	20	33	30	30
Program Staff List	15	10	10	10	12	10	10
<b>Subtotal - Cost</b>	<b>50</b>	<b>38</b>	<b>40</b>	<b>30</b>	<b>45</b>	<b>40</b>	<b>40</b>
<b>TOTAL POINTS</b>	<b>280</b>	<b>233</b>	<b>207</b>	<b>148</b>	<b>263</b>	<b>202</b>	<b>229</b>
<b>TOTAL PROPOSED VENDOR COST</b>		\$345,180	\$345,845	\$345,844	\$339,340	\$345,845	\$344,904

Reviewer Name	Title
1 Gayleen Smith	Administrator III
2 Melinda Tupaj	Administrator II
3 Caroline Racine	Program Specialist IV
5 Angie Prindle	Supervisor IV



**STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF INFORMATION TECHNOLOGY**  
27 Hazen Dr., Concord, NH 03301  
Fax: 603-271-1516 TDD Access: 1-800-735-2964  
[www.nh.gov/doit](http://www.nh.gov/doit)

**Denis Goulet**  
*Commissioner*

April 18, 2023

Lori Weaver, Commissioner  
Department of Health and Human Services  
State of New Hampshire  
95 Pleasant Street  
Concord, NH 03301

Dear Commissioner Weaver:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a contract with Granite Pathways, as described below and referenced as DoIT No. 2023-081.

The purpose of this request is to provide Community Navigator outreach services to families who do not rise to the level of being assessed by the Division for Children Youth and Families (DCYF), by educating professional reporters and families on available resources in their specific region and assisting families with navigating referrals to specific resource(s) in order to connect families with community supports and services.

The Total Price Limitation will be \$388,594, effective upon Governor and Council approval through June 30, 2025.

A copy of this letter must accompany the Department of Health and Human Services' submission to the Governor and Executive Council for approval.

Sincerely,

A handwritten signature in black ink that reads "Denis Goulet".

Denis Goulet

DG/jd  
DoIT #2023-081

cc: Mike Williams, IT Manager

Subject: Community Navigator Program RFP-2023-DCYF-01-COMMU-01

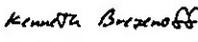
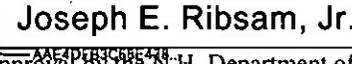
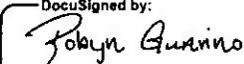
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Granite Pathways		1.4 Contractor Address 60 Rogers Street, Suite 205 Manchester, NH 03103	
1.5 Contractor Phone Number (603)677-9122	1.6 Account Number 05-95-042-4210-24640000	1.7 Completion Date 6/30/2025	1.8 Price Limitation \$388,594
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by:  Date: 4/17/2023		1.12 Name and Title of Contractor Signatory Kenneth Brezenoff General Counsel	
1.13 State Agency Signature DocuSigned by:  Date: 4/17/2023		1.14 Name and Title of State Agency Signatory Joseph E. Ribsam, Jr. Director	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: 4/17/2023			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

**2. 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 B 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 1.17, 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 1.13 ("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 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 for Services provided in EXHIBIT B, in whole or in part. 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 reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source 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 C 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 applicable 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 employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property 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. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

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

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

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

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

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, 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 give the Contractor a written notice specifying the Event of Default and 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 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. 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.

**9. TERMINATION.**

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, 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 B. In addition, at the State's discretion, 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.

**10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

10.1 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.

10.2 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.

10.3 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.

**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.**

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

**13. INDEMNIFICATION.** Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor Initials

Date 4/17/2023

KB

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. 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 continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

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

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

**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. The 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. 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.

**17. 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.

**18. CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and 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. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

**19. CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

**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 or modifying provisions set forth in the attached EXHIBIT A 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 with respect to the subject matter hereof.

New Hampshire Department of Health and Human Services  
Community Navigator Program

EXHIBIT A

Revisions to Standard Agreement Provisions

1. Revisions to Form P-37, General Provisions

1.1. Paragraph 3, Effective Date/Completion of Services, is amended by adding subparagraph 3.3 as follows:

3.3. The parties may extend the Agreement for up to two (2) additional years from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

1.2. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.3 as follows:

12.3. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed, and if applicable, a Business Associate Agreement in accordance with the Health Insurance Portability and Accountability Act. Written agreements shall specify how corrective action shall be managed. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate

**New Hampshire Department of Health and Human Services  
Community Navigator Program**

**EXHIBIT B**

**Scope of Services**

**1. Statement of Work**

- 1.1. The Contractor must provide a Community Navigator Program, by educating professional reporters and families on available resources in their specific region and assisting families with navigating referrals to specific resource(s) in order to connect families with community supports and services. The program will serve families referred by the Division for Children, Youth and Families (DCYF) Central Intake who have been screened out and has been determined no formal assessment will be needed. Contractor staff for the program are referred to as Community Navigators.
- 1.2. The Contractor must ensure services are available Statewide.
- 1.3. For the purposes of this Agreement, all references to days mean business days, excluding state and federal holidays.
- 1.4. For the purposes of this Agreement, all references to business hours mean Monday through Friday from 8:00 a.m. to 4:30 p.m.
- 1.5. The Contractor must provide Community Navigator outreach services to reporters (individuals who report concerns about a specific child/family to DCYF Central Intake) to explain the Navigator role and program and review the information.
- 1.6. The Contractor must provide Community Navigator outreach services to families in order to offer education on available resources in the families' specific region, and connect the family by providing information or meeting directly with the families to assist with navigating the referral to specific resources in the community.
- 1.7. The Contractor must provide initial outreach to families and reporters within 48 hours of receiving the referral.
- 1.8. The Contractor must call identified reporters by phone to discuss the concerns in the report and review different approaches the reporter can take with the family to engage them in accessing available community resources/referrals (on reports in which the reporter has agreed to speak with a Community Navigator).
- 1.9. The Contractor must ensure that in the event the reporter does not wish to be contacted by the Community Navigator, or the reporter does not wish to engage the family, the Community Navigator must reach out to the family via phone and text message. If the family does not respond to the call or text in the first few days of initial outreach, the Community Navigator must send a letter in the mail.
- 1.10. The Contractor must provide prompt but limited duration, outreach to the families and offer resources to supportive services in their community allowing

**New Hampshire Department of Health and Human Services  
Community Navigator Program**

**EXHIBIT B**

for a warm hand off to those resources entities.

- 1.11. The Contractor must ensure once contact with the family is made, they work on establishing rapport with the family and inquire about specific supports the family may benefit from.
- 1.12. The Contractor must ensure Community Navigators offer appropriate community resources/referrals to the family based on their self-reported need or other supportive services.
- 1.13. The Contractor must attempt to refer the family to the local Family Resource Center (FRC) and/or appropriate resources/referrals via a warm handoff (virtual or by conference call).
- 1.14. The Contractor must ensure families are successfully engaged with the Family Resource Centers in order to reduce the rate of recidivism and future DCYF involvement.
- 1.15. The Contractor must conduct at least one needs assessment on each referral.
- 1.16. The Contractor must provide the Single Stop web-based platform when applicable to assess the needs of individuals and determine economic and social service benefits they may be eligible for. The Single Stop tool can be utilized by:
  - 1.16.1. The Community Navigator and the reporter to develop the supports offered to the family;
  - 1.16.2. The Community Navigator and family; and
  - 1.16.3. The family on their own after working with the Community Navigator.
- 1.17. The Contractor must comply with Exhibit L - IT Requirements Workbook.
- 1.18. The Contractor must develop scripts to guide the Community Navigator's engagement and conversations with both the reporter and the family.
- 1.19. The Contractor must help the reporters who are willing to further engage a family understand the importance of a warm hand off, or how a facilitated referral between a family and community resource is evidenced to be more successful.
- 1.20. The Contractor must educate reporters and families to engage the community and help to destigmatize families in need and develop a better understanding among families and professionals. Education topics include but are not limited to:
  - 1.20.1. Reporting process.
  - 1.20.2. Abuse and neglect standards in NH.
  - 1.20.3. Family needs and prevention strategies.
  - 1.20.4. Resources and services available to families.

**New Hampshire Department of Health and Human Services  
Community Navigator Program**

**EXHIBIT B**

- 1.21. The Contractor must ensure services are provided in a culturally competent manner to ensure services reach diverse populations within the covered population.
- 1.22. The Contractor must ensure Community Navigators use their time in between referrals to research community resources, outreach local community service hubs, and ensure that the Single Stop database remains up to date.
- 1.23. The Contractor must ensure that participating families sign a Contractor produced consent for services form to be approved by the Department prior to use.
- 1.24. The Contractor must ensure Community Navigators possess at a minimum, qualifications including but not limited to:
  - 1.24.1. Appropriate "lived experience" with the child and family serving system to support families, including, but not limited to, experience as a caregiver who has needed and accessed appropriate public resources/services to support themselves and their children. This can be, but does not necessarily have to be experience with DCYF directly; and
  - 1.24.2. Diploma;
  - 1.24.3. GED; or
  - 1.24.4. HiSET.
- 1.25. Reporting Education Services for Professional Callers:
  - 1.25.1. The Contractor must provide information to educate professional callers (such as school staff, counselors, first responders, medical staff), including but not limited to:
    - 1.25.1.1. Local resources available to families.
    - 1.25.1.2. How they operate and how a family can connect with the services.
    - 1.25.1.3. What the family can expect when working with the community support service.
    - 1.25.1.4. Skills and techniques of how to approach families to offer support.
    - 1.25.1.5. Techniques on how to engage with a family to get them to better connect with a service.
    - 1.25.1.6. Information on the success of a warm handoff approach.
  - 1.25.2. The Contractor must provide reporting education services to any professional callers including but not limited to:
    - 1.25.2.1. Law Enforcement.

**New Hampshire Department of Health and Human Services  
Community Navigator Program**

**EXHIBIT B**

---

- 1.25.2.2. School Staff.
  - 1.25.2.3. Medical Personnel.
  - 1.25.2.4. Therapists/Counselors.
  - 1.25.2.5. Crisis Advocates.
- 1.26. The Contractor must participate in meetings with the Department on a monthly basis, or as otherwise requested by the Department.
- 1.27. The Contractor must participate in on-site reviews conducted by the Department on an annual basis, or as otherwise requested by the Department.
- 1.28. The Contractor must facilitate reviews of files conducted by the Department on a quarterly basis, or as otherwise requested by the Department.
- 1.29. The Contractor must ensure staff participate in annual training as required by the Department, topics include but are not limited to:
- 1.29.1. Relevant services throughout the state.
  - 1.29.2. Engagement skills.
  - 1.29.3. Engagement techniques.
  - 1.29.4. Motivational Interviewing.
  - 1.29.5. Diversion, Equity, Inclusion (DEI).
  - 1.29.6. Trauma informed service delivery.
- 1.30. Reporting
- 1.30.1. The Contractor must submit monthly reports to the Department within ten (10) days following the end of the reporting period, to ensure timely and effective outreach to families, which include, but are not limited to:
- 1.30.1.1. Number of families connected with FRC's, and community resources.
  - 1.30.1.2. Number of families who did not respond to outreach.
  - 1.30.1.3. Number of reporters who engaged.
  - 1.30.1.4. Number of reporters engaged and followed up with family without a Navigator following up with the family.
  - 1.30.1.5. Number of families being successfully engaged with Family Resource Centers or other community resources.
- 1.30.2. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.

**New Hampshire Department of Health and Human Services  
Community Navigator Program**

**EXHIBIT B**

**2. Exhibits Incorporated**

- 2.1. The Contractor must use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and in accordance with the attached Exhibit I, Business Associate Agreement, which has been executed by the parties.
- 2.2. The Contractor must manage all confidential data related to this Agreement in accordance with the terms of Exhibit K, DHHS Information Security Requirements.
- 2.3. The Contractor must comply with all Exhibits D through K, which are attached hereto and incorporated by reference herein.

**3. Additional Terms**

**3.1. Impacts Resulting from Court Orders or Legislative Changes**

- 3.1.1. 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 has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

**3.2. Federal Civil Rights Laws Compliance: Culturally and Linguistically Appropriate Programs and Services**

- 3.2.1. The Contractor must submit, within ten (10) days of the Agreement Effective Date, a detailed description of the communication access and language assistance services to be provided to ensure meaningful access to programs and/or services to individuals with limited English proficiency; individuals who are deaf or have hearing loss; individuals who are blind or have low vision; and individuals who have speech challenges.

**3.3. Credits and Copyright Ownership**

- 3.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Agreement must include the following statement, "The preparation of this (report, document etc.) was financed under an 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."

- 3.3.2. All materials produced or purchased under the Agreement must have

**New Hampshire Department of Health and Human Services  
Community Navigator Program**

**EXHIBIT B**

prior approval from the Department before printing, production, distribution or use.

3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:

3.3.3.1. Brochures.

3.3.3.2. Resource directories.

3.3.3.3. Protocols or guidelines.

3.3.3.4. Posters.

3.3.3.5. Reports.

3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

**4. Records**

4.1. The Contractor must keep records that include, but are not limited to:

4.1.1. Books, records, documents and other electronic or physical 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.

4.1.2. All records must 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.

4.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records must 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.

4.2. During the term of this Agreement and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives must have access to all reports and records maintained pursuant to the Agreement for purposes of audit, examination, excerpts and transcripts.

4.3. If, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder, the Department

**New Hampshire Department of Health and Human Services  
Community Navigator Program**

**EXHIBIT B**

retains the right, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

**5. Background Checks**

5.1. Prior to making an offer of employment or for volunteer work, or permitting any current employees to provide services under this Agreement, the Contractor must, after obtaining signed and notarized authorization from the person or persons for whom information is being sought:

5.1.1. Obtain and verify at least two (2) references for the person;

5.1.2. Submit the person's name for review against the Bureau of Elderly and Adult Services (BEAS) state registry maintained pursuant to RSA 161-F:49;

5.1.3. Submit the person's name for review against the Division for Children, Youth and Families (DCYF) central registry pursuant to RSA 169-C:35;

5.1.4. Complete a criminal records check to ensure that the person has no history of:

5.1.4.1. Felony conviction; or

5.1.4.2. Any misdemeanor conviction involving:

5.1.4.2.1. Physical or sexual assault;

5.1.4.2.2. Violence;

5.1.4.2.3. Exploitation;

5.1.4.2.4. Child pornography;

5.1.4.2.5. Threatening or reckless conduct;

5.1.4.2.6. Theft;

5.1.4.2.7. Driving under the influence of drugs or alcohol; or

5.1.4.3. Any other conduct that represents evidence of behavior that could endanger the well-being of any individual served under the contract.

5.2. Unless the selected Contractor requests and obtains a waiver from the Department, it will not hire any individual or approve any individual to act as a volunteer if:

5.2.1. The individual's name is on the BEAS state registry;

5.2.2. The individual's name is on the DCYF central registry;

5.2.3. The individual has a record of a felony conviction; or

5.2.4. The individual has a record of any misdemeanors as specified above.

**New Hampshire Department of Health and Human Services  
Community Navigator Program**

**EXHIBIT B**

- 5.3. Contractor agrees it will initiate a criminal background check re-investigation of all workforce assigned to this Agreement every five years. The five-year period will be based on the date of the last Criminal Background Check conducted by the Contractor or its subcontractors.
- 5.4. The Contractor must promote and maintain an awareness of the importance of securing the State's information among the Contractor's workforce (employees, subcontractors, volunteers, interns) Contractor workforce must not be permitted to handle, access, view, store or discuss Confidential Data until the State receives a background check attestation from the Contractor that all Contractor workforce associated with fulfilling the obligations of this Contract are, based on NH DHHS provided criteria herein and their job responsibility requirements, eligible to participate in work associated with this Agreement.

**6. Privacy Impact Assessment**

- 6.1. Upon request, the Contractor must allow the Department to conduct a Privacy Impact Assessment (PIA) of its system if Personally Identifiable Information (PII) is collected, used, accessed, shared, or stored. To conduct the PIA the Contractor must provide the Department access to applicable systems and documentation sufficient to allow the Department to assess, at minimum, the following:
  - 6.1.1. How PII is gathered and stored;
  - 6.1.2. Who will have access to PII;
  - 6.1.3. How PII will be used in the system;
  - 6.1.4. How individual consent will be achieved and revoked; and
  - 6.1.5. Privacy practices.
- 6.2. The Department may conduct follow-up PIAs in the event there are either significant process changes or new technologies impacting the collection, processing or storage of PII.

**7. State Owned Devices, Systems and Network Usage**

- 7.1. If Contractor End Users are authorized by the States' Information Security Office to access the States' network or system and/or use a state issued device (e.g. computer, iPad, cell phone) in the fulfillment of this Contract, each individual being granted access must:
  - 7.1.1. Sign and abide by applicable State and New Hampshire Department of Information Technology (NH DoIT) use agreements, policies, standards, procedures guidelines, and complete applicable trainings as required;
  - 7.1.2. Use the information that they have permission to access solely for

**New Hampshire Department of Health and Human Services  
Community Navigator Program**

**EXHIBIT B**

conducting official state business and agree that all other use or access is strictly forbidden including, but not limited, to personal or other private and non-State use, and that at no time shall they access or attempt to access information without having the express authority of the State to do so;

- 7.1.3. Not access or attempt to access information in a manner inconsistent with the approved policies, procedures, and/or agreement relating to system entry/access;
- 7.1.4. Not copy, share, distribute, sub-license, modify, reverse engineer, rent, or sell software licensed, developed, or being evaluated by the State, and at all times must use utmost care to protect and keep such software strictly confidential in accordance with the license or any other agreement executed by the State;
- 7.1.5. Only use equipment, software, or subscription(s) authorized by the State's Information Security Officer or designee;
- 7.1.6. Not install non-standard software on any equipment unless authorized by the State's Information Security Officer or designee;
- 7.1.7. Agree that email and other electronic communication messages created, sent, and received on a state-issued email system are the property of the State of New Hampshire and to be used for business purposes only. Email is defined as "internal email systems" or "state-funded email systems."
- 7.1.8. Agree that use of email must follow State and NH DoIT policies, standards, and/or guidelines; and
- 7.1.9. When utilizing the State's email system all Contractor End Users must:
  - 7.1.9.1. Only use a state email address assigned to them with a "@ affiliate.DHHS.NH.Gov".
  - 7.1.9.2. Include in the signature lines information indicating they are a non-state workforce member; and
  - 7.1.9.3. Ensure the following confidentiality notice is embedded underneath the signature line:

**CONFIDENTIALITY NOTICE:** "This message may contain information that is privileged and confidential and is intended only for the use of the individual(s) to whom it is addressed. If you receive this message in error, please notify the sender immediately and delete this electronic message and any attachments from your system. Thank you for your cooperation."
- 7.1.10. The Contractor End Users with a State issued email and/or workspace in a State building/facility, must:

**New Hampshire Department of Health and Human Services  
Community Navigator Program**

**EXHIBIT B**

- 7.1.10.1. Complete the State's Annual Information Security & Compliance Awareness Training prior to accessing, viewing, handling, hearing, or transmitting State data or Confidential Information.
- 7.1.10.2. Sign the State's Business Use and Confidentiality Agreement and Asset Use Agreement, and the NH DoIT Statewide Computer Use Agreement upon execution of the Contract and annually throughout the Contract term.
- 7.1.10.3. Not access the State' intranet.
- 7.1.10.4. Contractor agrees, if any End User is found to be in violation of any of the above-stated terms and conditions of the Contract, said End User may face removal from the Contract, and/or criminal and/or civil prosecution, if the act constitutes a violation of law.
- 7.1.10.5. Contractor agrees to notify the State a minimum of three business days prior to any upcoming transfers or terminations of End Users who possess State credentials and/or badges or who have system privileges. If End Users who possess State credentials and/or badges or who have system privileges are resign or are dismissed without advance notice, the Contractor agrees to notify the State's Information Security Officer or designee immediately.

**8. Contract End-of-Life Transition Services**

- 8.1. If applicable, upon termination or expiration of the Agreement, the Parties agree to cooperate in good faith to effectuate a smooth secure transition of the services from the Contractor to the Department and, if applicable, the Vendor engaged by the Department to assume the services previously performed by the Contractor for this section the new vendor shall be known as "Recipient"). Contract end of life services shall be provided at no additional cost. Ninety (90) days prior to the end-of the Agreement or unless otherwise specified by the Department, the Contractor must begin working with the Department and if applicable, the new Recipient to develop a Data Transition Plan (DTP). The Department shall provide the DTP template to the Contractor.
- 8.2. The Contractor must use reasonable efforts to assist the Recipient, in connection with the transition from the performance of Services by the Contractor and their Affiliates to the performance of such Services. This may include assistance with the secure transfer of records (electronic and hard copy), transition of historical data (electronic and hard copy), the transition of any such Service from the hardware, software, network and telecommunications equipment and internet-related information technology

*KB*

**New Hampshire Department of Health and Human Services  
Community Navigator Program**

**EXHIBIT B**

---

infrastructure ("Internal IT Systems") of the Contractor to the Internal IT Systems of the Recipient and cooperation with and assistance to any third-party consultants engaged by Recipient in connection with the Transition Services.

- 8.3. If a system, database, hardware, software, and/or software licenses (Tools) was purchased or created to manage, track, and/or store State Data in relationship to this Agreement said Tools will be inventoried and returned to the Department, along with the inventory document, once transition of State Data is complete.
- 8.4. The internal planning of the Transition Services by the Contractor and its Affiliates shall be provided to the Department and if applicable the Recipient on a timely manner. Any such Transition Services shall be deemed to be Services for purposes of this Agreement.
- 8.5. Should the data Transition extend beyond the end of the Agreement, the Contractor and its affiliates agree Contract Information Security Requirements, and if applicable, the Department's Business Associates Agreement terms and conditions remain in effect until the Data Transition is accepted as complete by the Department.
- 8.6. In the event where the Contractor has comingled Department Data and the destruction or Transition of said data is not feasible, the Department and the Contractor will jointly evaluate regulatory and professional standards for retention requirements prior to destruction.

**New Hampshire Department of Health and Human Services  
Community Navigator Program**

**EXHIBIT C**

**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 89% Federal funds, American Rescue Plan Act of 2021, as awarded on October 1, 2020, by the Administration for Children and Families, Assistance Living Number (ALN) 93.669, FAIN 2101NHNCC6
  - 1.2. 11% Federal Funds, Child Abuse and Neglect State Grants CAPTA: Child Abuse Prevention and Treatment Act, as awarded on October 1, 2021, ALN 93.669, FAIN 2101NHNCAN
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
  - 2.2. The Agreement as NON-R&D, in accordance with 2 CFR §200.332.
3. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and shall be in accordance with the approved line items, as specified in Exhibits C-1, Budget through Exhibit C-3, Budget Sheets.
4. The Contractor shall submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor shall ensure each invoice:
  - 4.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
  - 4.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
  - 4.3. Identifies and requests payment for allowable costs incurred in the previous month.
  - 4.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
  - 4.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.
  - 4.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to [DCYFInvoices@dhhs.nh.gov](mailto:DCYFInvoices@dhhs.nh.gov) or mailed to:

Financial Manager  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301

**New Hampshire Department of Health and Human Services  
Community Navigator Program**

**EXHIBIT C**

5. The Department shall make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.
6. The final invoice and supporting documentation for authorized expenses shall be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
7. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
8. Audits
  - 8.1. The Contractor must email an annual audit to [dhhs.act@dhhs.nh.gov](mailto:dhhs.act@dhhs.nh.gov) if any of the following conditions exist:
    - 8.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
    - 8.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
    - 8.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
  - 8.2. If Condition A exists, the Contractor shall submit an annual Single Audit performed by an independent Certified Public Accountant (CPA) to [dhhs.act@dhhs.nh.gov](mailto:dhhs.act@dhhs.nh.gov) within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.
    - 8.2.1. The Contractor shall submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor shall submit quarterly progress reports on the status of implementation of the corrective action plan.
  - 8.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.

**New Hampshire Department of Health and Human Services  
Community Navigator Program**

**EXHIBIT C**

---

- 8.4. In addition to, and not in any way in limitation of obligations of the Agreement, 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 Agreement to which exception has been taken, or which have been disallowed because of such an exception.

New Hampshire Department of Health and Human Services Complete one budget form for each budget period.		
Contractor Name: <i>Granite Pathways</i>		
Budget Request for: <i>Community Navigator Program</i>		
Budget Period: <i>SFY2023: (5/1/23-5/30/23)</i>		
Indirect Cost Rate (if applicable) <i>15.00%</i>		
Line Item	Program Cost - Funded by DHHS	Budget Narrative <i>Explain specific line item costs included and their direct relationship to meeting the objectives of this solicitation.</i>
1. Salary & Wages	\$19,435	2 months of all salaries and allocations. The FTE will be filled with a current STS worker as a promotional step. Inclusive of shared admin and supervisor positions allocated to this program
2. Fringe Benefits	\$8,608	corresponding 34% Fringe
3. Consultants	\$0	
4. Equipment <i>Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.</i>	\$1,250	1 laptop set up for the 1 FTE
5.(a) Supplies - Educational	\$0	
5.(b) Supplies - Lab	\$0	
5.(c) Supplies - Pharmacy	\$0	
5.(d) Supplies - Medical	\$0	
5.(e) Supplies Office	\$250	Printing, postage and printing supplies for follow up communications with reporters and families per the programmatic work flow.
6. Travel	\$250	travel as necessary for in person meetings for implementation.
7. Software	\$10,500	SingleStop Customization costs up front in first two months.
8. (a) Other - Marketing/ Communications	\$500	Initial expenses for marketing design and printing and mailing information.
8. (b) Other - Education and Training	\$0	
8. (c) Other - Other (specify below)	\$0	
Other (please specify)	\$0	
9. Subrecipient Contracts	\$0	
<b>Total Direct Costs</b>	<b>\$38,793</b>	
<b>Total Indirect Costs</b>	<b>\$5,819</b>	Indirect costs at 15% of direct. 12% to Fedcap for supportive services, IT, HR, Finance and Legal, 3% for shared occupancy costs.
<b>TOTAL</b>	<b>\$44,612</b>	

New Hampshire Department of Health and Human Services Complete one budget form for each budget period.		
Contractor Name: <u>Granite Pathways</u>		
Budget Request for: <u>Community Navigator Program</u>		
Budget Period: <u>SFY2024: 7/1/2023-6/30/2024</u>		
Indirect Cost Rate (if applicable) <u>17.00%</u>		
Line Item	Program Cost - Funded by DHHS	Budget Narrative <i>Explain specific line item costs included and their direct relationship to meeting the objectives of this solicitation.</i>
1. Salary & Wages	\$108,310	The salary total includes, 1 FTE Community Navigator to be the primary staff member and lead staff/mentor for other staff. 2 Shared staff with BTS at a 40% allocation each position. 1 shared Supervisor position with BTS at a 20% allocation to this program. Administrative and management staff consist of 1. program director for both BTS and Community Navigator with a CN allocation at 10% for the second year to be oversee both programs for quality management, contract compliance. . 1 operations manager to assist the program with systems (Singlestop) use and customization, data collection and billing at 5% allocation and 1 Executive Director who will ensure contract and fiscal management and compliance as well as sustainability at 5% allocation.
2. Fringe Benefits	\$36,825	Fringe rate is calculated at 34% for all employees. Each salary amount charged to this program has 34% charge to fringe. The fringe breakdown is as follows: 7.65% FICA, 9.40% Medical, .70% Dental, 1.10% disability, .70% Life, 2.60% unemployment, 1.60% workers comp, 6.80% pension, 3.25% other Total: 34%
3. Consultants	\$0	
4. Equipment <small>Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.</small>	\$0	
5(a) Supplies - Educational	\$0	
5(b) Supplies - Lab	\$0	
5(c) Supplies - Pharmacy	\$0	
5(d) Supplies - Medical	\$0	
5(e) Supplies Office	\$925	Printing, postage and printing supplies for follow up communications with reporters and families per the programmatic work flow.
6. Travel	\$500	Staff travel related to meeting with either DCYF or program partners, prorated for 9 months for year 1 budget.
7. Software	\$0	
8. (a) Other - Marketing/ Communications	\$1,000	Marketing materials for program explanations for mailings to reporters and families when needed marketing materials for program and resources: design @\$5/ hour and printing costs for materials
8. (b) Other - Education and Training	\$0	
8. (c) Other - Other (specify below)	\$0	
Other (please specify)	\$0	
9. Subrecipient Contracts	\$0	
<b>Total Direct Costs</b>	<b>\$147,590</b>	
<b>Total Indirect Costs</b>	<b>\$24,430</b>	Indirect costs are comprised of the following: administrative rate of 12% of direct cost total (\$18,515) for Fedcap corporate services, includes the following services to Granite Pathways: Legal, HR, IT, Finance. \$5,914.30 is for 40% of BTS Occupancy fees.
<b>TOTAL</b>	<b>\$171,991</b>	

New Hampshire Department of Health and Human Services		
Contractor Name: <u>Granite Pathways</u>		
Budget Request for: <u>Community Navigator Program</u>		
Budget Period: <u>FY2025 7/1/2024-6/30/2025</u>		
Indirect Cost Rate (if applicable): <u>17.00%</u>		
Line Item	Program Cost - Funded by DHHS	Budget Narrative <i>Explain specific line item costs included and their direct relationship to meeting the objectives of this solicitation.</i>
1. Salary & Wages	\$108,310	The salary total includes, 1 FTE Community Navigator to be the primary staff member and lead staffmentor for other staff, 2 Shared staff with BTS at a 40% allocation each position, 1 shared Supervisor position with BTS at a 20% allocation to this program, Administrative and management staff consist of 1, program director for both BTS and Community Navigator with a CN allocation at 10% for the second year to be oversee both programs for quality management, contract compliance, 1 operations manager to assist the program with systems (Singlestep) use and customization, data collection and billing at 5% allocation and 1 Executive Director who will ensure contract and fiscal management and compliance as well as sustainability at 5% allocation
2. Fringe Benefits	\$39,825	Fringe rate is calculated at 34% for all employees. Each salary amount charged to this program has 34% charge to fringe. The fringe breakdown is as follows: 7.85% FICA, 9.40% Medical, .70% Dental, 1.10% disability, .70% Life, 2.80% unemployment, 1.80% workers comp, 8.80% pension, 3.25% other Total 34%
3. Consultants	\$0	
4. Equipment	\$0	Indirect cost rate cannot be applied to equipment costs per 2 CFR 200 1 and Appendix IV to 2 CFR 200
5 (a) Supplies - Educational	\$0	
5 (b) Supplies - Lab	\$0	
5 (c) Supplies - Pharmacy	\$0	
5 (d) Supplies - Medical	\$0	
5 (e) Supplies Office	\$825	Printing, postage and printing supplies for follow up communications with reporters and families per the programmatic work flow.
6. Travel	\$250	Staff travel related to meeting with either OCYF or program partners, prorated for 9 months for year 1 budget
7. Software	\$1,000	portion of the costs for single step license
8 (a) Other - Marketing/Communications	\$250	Marketing materials for program e extensions for mailings to reporters and families when needed, marketing materials for program and resources: printing costs for materials
8 (b) Other - Education and Training	\$0	
8 (c) Other - Other (specify below)	\$0	
Other (please specify)	\$0	
8. Subrecipient Contracts	\$0	
<b>Total Direct Costs</b>	<b>\$147,590</b>	
<b>Total Indirect Costs</b>	<b>\$24,430</b>	Indirect costs are comprised of the following, administrative rate of 12% of direct cost total (\$18,513) for Fedcap corporate services, includes the following services to Granite Pathways: Legal, HR, IT, Finance \$5,914.30 is for 40% of BTS Occupancy fees
<b>TOTAL</b>	<b>\$171,991</b>	



New Hampshire Department of Health and Human Services  
Exhibit D

**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



New Hampshire Department of Health and Human Services  
Exhibit D

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

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

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

Vendor Name: Granite Pathways, Inc.

4/17/2023

Date

DocuSigned by:  
  
 Name: Kenneth Brezenoff  
 Title: General Counsel



New Hampshire Department of Health and Human Services  
Exhibit E

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:

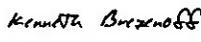
1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection 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: Granite Pathways, Inc.

4/17/2023

Date

DocuSigned by:  
  
 Name: Kenneth Brezenoff  
 Title: General Counsel

Vendor Initials   
 Date 4/17/2023



New Hampshire Department of Health and Human Services  
Exhibit F

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

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

**INSTRUCTIONS FOR CERTIFICATION**

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

DS  
KB



New Hampshire Department of Health and Human Services  
Exhibit F

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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

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

Contractor Name: Granite Pathways, Inc.

4/17/2023

Date

DocuSigned by:  
*Kenneth Brezenoff*  
Name: Kenneth Brezenoff  
Title: General Counsel

DS  
KB



New Hampshire Department of Health and Human Services  
Exhibit G

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

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

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

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

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

Exhibit G

Contractor Initials DS  
K.B.

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



New Hampshire Department of Health and Human Services  
Exhibit G

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

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

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

Contractor Name: Granite Pathways, Inc.

4/17/2023

Date

DocuSigned by:  
*Kenneth Brezenoff*  
Name: Kenneth Brezenoff  
Title: General Counsel

Exhibit G

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

DS  
*KB*  
Contractor Initials



New Hampshire Department of Health and Human Services  
Exhibit H

**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

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

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

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

Contractor Name: Granite Pathways, Inc.

4/17/2023

Date

DocuSigned by:  
*Kenneth Brezenoff*  
Name: Kenneth Brezenoff  
Title: General Counsel

Contractor Initials DS  
KB  
Date 4/17/2023



New Hampshire Department of Health and Human Services

Exhibit I

**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, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.



New Hampshire Department of Health and Human Services

Exhibit I

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

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

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

3/2014

Contractor Initials                     

Date 4/17/2023



New Hampshire Department of Health and Human Services

Exhibit I

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

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

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

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

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

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



## New Hampshire Department of Health and Human Services

## Exhibit I

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

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

3/2014

Contractor Initials

K.B.

Date 4/17/2023



New Hampshire Department of Health and Human Services

Exhibit I

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

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

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

**(6) Miscellaneous**

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

3/2014

Contractor Initials

Date 4/17/2023



New Hampshire Department of Health and Human Services

Exhibit I

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

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

Department of Health and Human Services

Granite Pathways, Inc.

The State by:

Name of the Contractor

Joseph E. Ribsam, Jr.

*Kenneth Brezenoff*

Signature of Authorized Representative

Signature of Authorized Representative

Joseph E. Ribsam, Jr.

Kenneth Brezenoff

Name of Authorized Representative  
Director

Name of Authorized Representative

Title of Authorized Representative

General Counsel

Title of Authorized Representative

4/17/2023

4/17/2023

Date

Date

DS  
*K.B.*  
Contractor Initials

4/17/2023  
Date



New Hampshire Department of Health and Human Services  
Exhibit J

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

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

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

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (UEI #)
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: Granite Pathways, Inc.

4/17/2023

Date

DocuSigned by:

*Kenneth Brezenoff*

Name: Kenneth Brezenoff

Title: General Counsel

DS  
*KB*

Contractor Initials

Date 4/17/2023



New Hampshire Department of Health and Human Services  
Exhibit J

FORM A

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

- 1. The UEI (SAM.gov) number for your entity is: PFPU9LCLMU9
- 2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

X  NO                        YES

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

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

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

NO                        YES

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

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

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

Name: _____	Amount: _____

# New Hampshire Department of Health and Human Services

## Exhibit K

### DHHS Information Security Requirements



#### A. Definitions

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

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

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

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

DS  
KB

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

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

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

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

## New Hampshire Department of Health and Human Services

### Exhibit K

## DHHS Information Security Requirements



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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

## New Hampshire Department of Health and Human Services

### Exhibit K

### DHHS Information Security Requirements



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

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

#### B. Disposition

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

#### IV. PROCEDURES FOR SECURITY

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

## New Hampshire Department of Health and Human Services

### Exhibit K

### DHHS Information Security Requirements



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

OS  
KB

## New Hampshire Department of Health and Human Services

### Exhibit K

### DHHS Information Security Requirements



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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and 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.

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer 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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

Exhibit L: IT Requirements Workbook  
RFP-2023-DCYF-01-COMMU-01

APPLICATION REQUIREMENTS				
State Requirements				
Req #	Requirement Description	Criticality	Response	Example Response
<b>GENERAL SPECIFICATIONS</b>				
A1.1	Ability to access data using open standards access protocol.	M	We store our data in a PostgreSQL database, which is an object-relational database system that uses and extends the SQL language. PostgreSQL databases can be freely exported and imported using industry standard methods, including table dumps to csv files.	The solution being proposed will use a commercial off the shelf (COTS) software that utilizes XML, HTML and SQL all of which leverage open standards to allow for interoperability and continued quality.
A1.2	Data is available in commonly used format over which no entity has exclusive control, with the exception of National or International standards. Data is not subject to any copyright, patent, trademark or other trade secret regulation.	M	As represented in A1.1 by utilizing open standards our solution is compliant with this requirement.	As represented in A1.1 by utilizing open standards our solution is compliant with this requirement.
A1.3	Web-based compatible and in conformance with the following W3C standards: HTML5, CSS 2.1, XML 1.1	M	The web based component of this solution conforms to w3c standards. We utilize specifically leveraging HTML5, CSS, and RESTful APIs.	The web based component of this solution conforms to w3c standards in our case specifically leveraging HTML5, XML and SOAP
<b>APPLICATION SECURITY</b>				
A2.1	Verify the identity or authenticate all of the system client applications before allowing use of the system to prevent access to inappropriate or confidential data or services.	M	Clients are required to give an email address or phone number, with a successful OTP (one time password - a 6-digit code) prompt to confirm ownership and access to the email/phone. Case managers, who have elevated data access, must be created by support and will have a username/password authentication method.	Utilizing our COTS solution will require the user to validate their identity through a user name and password provided after information is obtained to create the users account.
A2.2	Verify the identity and authenticate all of the system's human users before allowing them to use its capabilities to prevent access to inappropriate or confidential data or services.	M	Per A2.1, Clients need to respond to an OTP prompt to login each time. Clients only have access to their data. Case managers are setup by support and roles are given as directed by the State sponsor which determine data access levels.	Based on the role based access controls within the COTS solution we will ensure the users have access only to the data that the State authorizes.
A2.3	Enforce unique user names.	M	Our usernames are validated to be unique for each signup.	The COTS solution combined with our logical access procedure to create user accounts ensures the unique user name.
A2.4	Comply with the Department's Password Standard and DoIT's statewide User Account and Password Policy when developing, establishing, and enforcing system Administrative (privileged) and End User (non-privileged) accounts. Should a requirement conflict reside between the two documents the more restrictive requirement must be followed.	M	Privileged account passwords must be at least eight(8) characters in length and must contain mixed case, numeric and symbols.  Non-privileged account use one time passcodes.	The COTS solution will comply with the requirements as listed in the Department's Password Standard and NH DoIT's Password Policy.
A2.8	Provide the ability to limit the number of people that can grant or change authorizations.	M	Any role changes must flow through Single Stop support. The request will need to be made by previously authorized individuals.	Based on State approval the system will allow for up to 3 administrators to support granting or changing permissions.

Contractor Initials AB

Date 4/17/2023

Exhibit L: IT Requirements Workbook  
RFP-2023-DCYF-01-COMMU-01

A2.10	The application shall not store authentication credentials or sensitive data in its code.	M	All authentication credentials are stored in the database and encrypted utilizing the Advanced Encryption Standard (AES 256).	All authentication credentials are encrypted utilizing the Advanced Encryption Standard (AES)
A2.11	Log all attempted accesses that fail identification, authentication and authorization requirements.	M	Failed attempts are logged and lockout occurs after 5 failed attempts.	The system in compliance with failed attempt policy automatically logs all failed attempts to result in a lockout. See A2.4
A2.13	All logs must be kept for one (1) year, unless protected health information is entered into/stored in the system or product, then all audit logs must be kept for six (6) years for HIPPA compliance.	M	Single Stop software will maintain logs for 1 year at minimum.	The COTS solution will maintain logs for 1 years
A2.14	The application must allow a human user to explicitly terminate a session. No remnants of the prior session should then remain.	M	Besides a log out feature, we also have a session timeout feature that expires all session artifacts.	The COTS solution allows for the termination of the user account which will result in the termination of access.
A2.15	Do not use Software and System Services for anything other than they are designed for.	M	The solution will be implemented at the direction of the department to meet the requirements of the contract.	The solution will be implemented at the direction of the department to meet the requirements of the contract.
A2.16	The application Data shall be protected from unauthorized use when at rest.	M	Data is encrypted in transit and at rest. Only authorized individuals are able to access the data at rest.	The COTS solution will encrypt data in transit and at rest coupled with role based access permissions the application data will be protected at rest
A2.17	The application shall keep any sensitive Data or communications private from unauthorized individuals and programs.	M	See A2.16	See A2.16
A2.18	Subsequent application enhancements or upgrades shall not remove or degrade security requirements.	M	Subsequent upgrades will maintain or enhance security requirements.	The COTS solution and subsequent upgrades will maintain or enhance security requirements in partnership and communication with the State.
A2.19	Utilize change management documentation and procedures.	M	Single Stop is ISO 27001 certified and working on our SOC 2 certification. They require strict change management controls and we are audited annually to ensure strict adherence to the change management process. We require our application teams to strictly adhere to our change management policies.	The COTS solution will follow industry best practices for change management and the configuration administrators will document all changes made to production after final user acceptance of the changes.
A2.20	Web Services : The service provider shall use Web services exclusively to interface with the State's data in near real time when possible.	M	We will not utilize web services to interface with the State's data systems; however the solution will be able to export the information into CSV or similar functions and provide the information to the State for ingestion.	The COTS solution will not utilize web services to interface with the State's data systems; however the solution will be able to export the information into CSV, Excel or similar functions and provide the information to the State for ingestion.

Contractor Initials Date 4/17/2023

Exhibit L: IT Requirements Workbook  
RFP-2023-DCYF-01-COMMU-01

<p>A2.21</p>	<p>Logs must be configured using "fail-safe" configuration. Audit logs must contain the following minimum information:</p> <ol style="list-style-type: none"> <li>1. User IDs (of all users who have access to the system)</li> <li>2. Date and time stamps</li> <li>3. Changes made to system configurations</li> <li>4. Addition of new users</li> <li>5. New users level of access</li> <li>6. Files accessed (including users)</li> <li>7. Access to systems, applications and data</li> <li>8. Access trail to systems and applications (successful and unsuccessful attempts)</li> <li>9. Security events</li> </ol>	<p>M</p>	<p>All database changes are logged in Single Stop including date and timestamps and who made the change. Individual file access is not logged, however access trail is logged including when a user goes to the screen where files can be accessed. Security events among many other evnts are also logged.</p>	<p>The COTS solution will be able to maintain the following information either in a log or separate documentation:</p> <ol style="list-style-type: none"> <li>1. User IDs (of all users who have access to the system)</li> <li>2. Date and time stamps</li> <li>3. Changes made to system configurations</li> <li>4. Addition of new users</li> <li>5. New users level of access</li> <li>6. Files accessed (including users)</li> <li>7. Access to systems, applications and data</li> <li>8. Access trail to systems and applications (successful and unsuccessful attempts)</li> <li>9. Security events</li> </ol>
--------------	--	----------	---	--

Contractor Initials AB

Date 4/17/2023

Exhibit L: IT Requirements Workbook  
RFP-2023-DCYF-01-COMMU-01

TESTING REQUIREMENTS				
State Requirements				
Req #	Requirement Description	Criticality	Response	Example Response
<b>APPLICATION SECURITY TESTING</b>				
T1.1	All components of the Software shall be reviewed and tested to ensure they protect the Department and State's web site and its related Data assets.	M	As this is a COTS solution the components of the software that will be reviewed and tested will focus on the configuration of the system to meet the business and technical requirements of the solution.	As this is a COTS solution the components of the software that will be reviewed and tested will focus on the configuration of the system to meet the business and technical requirements of the solution.
T1.2	The Vendor shall be responsible for providing documentation of security testing, as appropriate. Tests shall focus on the technical, administrative and physical security controls that have been designed into the System architecture in order to provide the necessary confidentiality, integrity and availability.	M	The COTS solution has published documentation to address the technical, administrative and physical security controls available upon request.	The COTS solution has published documentation to address the technical, administrative and physical security controls available upon request.
T1.3	Provide evidence that supports the fact that Identification and Authentication testing has been recently accomplished; supports obtaining information about those parties attempting to log onto a system or application for security purposes and the validation of users.	M	This is addressed via logs associated with login attempts	This is addressed via logs associated with login attempts
T1.4	Test for Access Control; supports the management of permissions for logging onto a computer or network.	M	NA This COTS solution is a cloud based SaaS.	See A2.4
T1.5	Test for encryption; supports the encoding of data for security purposes, and for the ability to access the data in a decrypted format from required tools.	M	See A2.4 and A2.16	See A2.4 and A2.16
T1.6	Test the Intrusion Detection; supports the detection of illegal entrance into a computer system.	M	See T1.2	See T1.2
T1.8	Test the User Management feature; supports the administration of computer, application and network accounts within an organization.	M	See A2.4, this process is tested each time an account is activated or de-activated	See A2.4, this process is tested each time an account is activated or de-activated
T1.9	Test Role/Privilege Management; supports the granting of abilities to users or groups of users of a computer, application or network.	M	This will be accomplished after final configuration and account creation has been completed and validated by the department	This will be accomplished after final configuration and account creation has been completed and validated by the department
T1.10	Test Audit Trail Capture and Analysis; supports the identification and monitoring of activities within an application or system.	M	The COTS solution has an internal testing plan for ensuring the audit trail logs are in place.	The COTS solution has an internal testing plan for ensuring the audit trail logs are in place.
T1.11	Test Input Validation; ensures the application is protected from buffer overflow, cross-site scripting, SQL injection, and unauthorized access of files and/or directories on the server.	M	The COTS solution has an internal testing plan and is covered contractually to protect against the items listed	The COTS solution has an internal testing plan and is covered contractually to protect against the items listed
T.1.12	For web applications, ensure the application has been tested and hardened to prevent critical application security flaws. ( At a minimum, the application shall be tested against all flaws outlined in the Open Web Application Security Project (OWASP) Top Ten ( <a href="http://www.owasp.org/index.php/OWASP_Top_Ten_Project">http://www.owasp.org/index.php/OWASP_Top_Ten_Project</a> ).	M	The COTS solution has an internal testing plan for ensuring the audit trail logs are in place.	The COTS solution has an internal testing plan for ensuring the audit trail logs are in place.

Contractor Initials AB

Date 4/17/2023

Exhibit L: IT Requirements Workbook  
RFP-2023-DCYF-01-COMMU-01

T1.13	Provide the State with validation of 3rd party security reviews performed on the application and system environment. The review may include a combination of vulnerability scanning, penetration testing, static analysis of the source code, and expert code review (please specify proposed methodology in the comments field).	M	Executive summary of 3rd part penetration tests are available upon request. All code requires code review and approval. All code undergoes static code analysis and vulnerability scanning as part of SDLC.	The 3rd party scans can be provided upon request. These reports are a sub-contract component with the COTS solution being employed on this solution.
T1.14	Prior to the System being moved into production, the Vendor shall provide results of all security testing to the Department of Information Technology for review and acceptance.	M	Single Stop is ISO 27001 certified and working on our SOC 2 certification. Policies and procedures can be provided upon request.	As the COTS solution maintains FedRamp Moderate certification all testing was completed in order to maintain compliance. It is anticipated that testing of the configuration will be accomplished prior to production use.
T1.15	Vendor shall provide documented procedure for migrating application modifications from the User Acceptance Test Environment to the Production Environment.	M	See T1.14	All configurations will be accomplished in a single environment and approved to be implemented on demand. No migration will be performed for this COTS solution.
<b>STANDARD TESTING</b>				
T2.1	The Vendor must test the software and the system using an industry standard and State approved testing methodology.	M	See T1.14	See T1.14
T2.2	The Vendor must perform application stress testing and tuning.	M	See T1.14	See T1.14
T2.3	The Vendor must provide documented procedure for how to sync Production with a specific testing environment.	M	See T1.14	See T1.14
T2.4	The vendor must define and test disaster recovery procedures.	M	See T1.14	See T1.14

Contractor Initials AB

Date 4/17/2023

Exhibit L: IT Requirements Workbook  
RFP-2023-DCYF-01-COMMU-01

HOSTING-CLOUD REQUIREMENTS				
State Requirements				
Req #	Requirement Description	Criticality	Response	Example Response
<i>OPERATIONS</i>				
H1.1	Vendor shall provide an ANSI/TIA-942 Tier 3 Data Center or equivalent. A tier 3 data center requires 1) Multiple independent distribution paths serving the IT equipment, 2) All IT equipment must be dual-powered and fully compatible with the topology of a site's architecture and 3) Concurrently maintainable site infrastructure with expected availability of 99.982%.	M	Single Stop is hosted in AWS a Tier 4 Data Center and meets or exceeds the qualifications. Also See T1.14.	See T1.14
H1.2	Vendor shall maintain a secure hosting environment providing all necessary hardware, software, and Internet bandwidth to manage the application and support users with permission based logins.	M	See H1.1	See T1.14
H1.3	The Data Center must be physically secured – restricted access to the site to personnel with controls such as biometric, badge, and others security solutions. Policies for granting access must be in place and followed. Access shall only be granted to those with a need to perform tasks in the Data Center.	M	See H1.1	See T1.14
H1.4	Vendor shall install and update all server patches, updates, and other utilities within 60 days of release from the manufacturer.	M	See H1.1	See T1.14
H1.5	Vendor shall monitor System, security, and application logs.	M	See H1.1. We utilize AWS GuardDuty, CloudWatch, and other monitoring features to notify us of events and anomalies.	See T1.14
H1.6	Vendor shall manage the sharing of data resources.	M	See T1.14	See T1.14
H1.7	Vendor shall manage daily backups, off-site data storage, and restore operations.	M	Using Aurora PostgreSQL, we have a rolling backup of 14 days and maintain weekly, monthly, and yearly backups according to our backup policy.	Daily backups will be performed nightly per sub-contract with COTS solution
H1.8	The Vendor shall monitor physical hardware.	M	See H1.1 and H1.5	See T1.14
H1.9	Remote access shall be customized to the State's business application. In instances where the State requires access to the application or server resources not in the DMZ, the Vendor shall provide remote desktop connection to the server through secure protocols such as a Virtual Private Network (VPN).	M	N/A - Single Stop is a cloud based SaaS application. Role based access and permissions are configured as part of the launch of a new partner. No server access or remote desktop or VPN access is necessary.	The COTS solution will be a cloud based solution accessible based on the role based access permissions configured as part of the project based on the State's requirements.
<i>DISASTER RECOVERY</i>				
H2.1	Vendor shall have documented disaster recovery plans that address the recovery of lost State data as well as their own. Systems shall be architected to meet the defined recovery needs.	M	See T1.14	See T1.14
H2.2	The disaster recovery plan shall identify appropriate methods for procuring additional hardware in the event of a component failure. In most instances, systems shall offer a level of redundancy so the loss of a drive or power supply will not be sufficient to terminate services however, these failed components will have to be replaced.	M	See T1.14	See T1.14

Contractor Initials AS

Date 4/17/2023

Exhibit L: IT Requirements Workbook  
RFP-2023-DCYF-01-COMMU-01

H2.3	Vendor shall adhere to a defined and documented back-up schedule and procedure.	M	See H1.7	See H1.7
H2.4	Back-up copies of data are made for the purpose of facilitating a restore of the data in the event of data loss or System failure.	M	See H1.7	See H1.7
H2.5	Scheduled backups of all servers must be completed regularly. The minimum acceptable frequency is differential backup daily, and complete backup weekly.	M	See H1.7	See H1.7
H2.6	Tapes or other back-up media tapes must be securely transferred from the site to another secure location to avoid complete data loss with the loss of a facility.	M	Backups are stored in AWS in at least 2 different US regions/data centers.	See H1.7
H2.7	Data recovery – In the event that recovery back to the last backup is not sufficient to recover State Data, the Vendor shall employ the use of database logs in addition to backup media in the restoration of the database(s) to afford a much closer to real-time recovery. To do this, logs must be moved off the volume containing the database with a frequency to match the business needs.	M	All data recovery is managed via the backup and restore process.	All data recovery is managed via the backup and restore process
<b>HOSTING SECURITY</b>				
H3.2	If State data is hosted on multiple servers, data exchanges between and among servers must be encrypted.	M	All data is encrypted in transit and at rest regardless of number of servers.	All data is encrypted and at rest regardless of number of servers.
H3.4	All components of the infrastructure shall be reviewed and tested to ensure they protect the State's hardware, software, and its related data assets. Tests shall focus on the technical, administrative and physical security controls that have been designed into the System architecture in order to provide confidentiality, integrity and availability.	M	All security controls are tested and addressed via the item T1.14	All security controls are tested and addressed via the item T1.14
H3.7	All servers and devices must have event logging enabled. Logs must be protected with access limited to only authorized administrators. Logs shall include System, Application, Web and Database logs.	M	All security controls are tested and addressed via the item T1.14	All security controls are tested and addressed via the item T1.14
H3.8	Operating Systems (OS) and Databases (DB) shall be built and hardened in accordance with guidelines set forth by CIS, NIST or NSA.	M	All security controls are tested and addressed via the item T1.14 and H1.1	All security controls are tested and addressed via the item T1.14
<b>SERVICE LEVEL AGREEMENT</b>				
H4.1	The Vendor's System support and maintenance shall commence upon the Effective Date and extend through the end of the Contract term, and any extensions thereof.	M	The COTS solution will be maintained, operated and supported per the contract terms.	The COTS solution will be maintained, operated and supported per the contract terms.
H4.2	The vendor shall maintain the hardware and Software in accordance with the specifications, terms, and requirements of the Contract, including providing, upgrades and fixes as required.	M	The COTS solution will be maintained, operated and supported per the contract terms.	The COTS configuration may be changed as needed to meet the State's requirements.
H4.3	The vendor shall repair or replace the hardware or software, or any portion thereof, so that the System operates in accordance with the Specifications, terms, and requirements of the Contract.	M	The COTS solution will be maintained, operated and supported per the contract terms.	Since the solution is dependent upon the COTS solution proposed any replacement of the software would require a change order and amendment to the contract.

08  
AB  
 Contractor Initials

Date 4/17/2023

Exhibit L: IT Requirements Workbook  
RFP-2023-DCYF-01-COMMU-01

H4.4	All hardware and software components of the Vendor hosting infrastructure shall be fully supported by their respective manufacturers at all times. All critical patches for operating systems, databases, web services, etc., shall be applied within sixty (60) days of release by their respective manufacturers.	M	This will follow the COTS solutions roadmaps for patches in alignment with item T1.14	This will follow the COTS solutions roadmaps for patches in alignment with item T1.14
H4.5	The State shall have unlimited access, via phone or Email, to the Vendor technical support staff between the hours of 8:30am to 5:00pm-Monday through Friday EST.	M	The COTS solution will be maintained, operated and supported per the contract terms.	The proposal will include technical support for the State between 8:30am and 5:00pm EST Monday through Friday.
H4.6	The Vendor shall conform to the specific deficiency class as described: o Class A Deficiency - Software - Critical, does not allow System to operate, no work around, demands immediate action; Written Documentation - missing significant portions of information or unintelligible to State; Non Software - Services were inadequate and require re-performance of the Service. o Class B Deficiency - Software - important, does not stop operation and/or there is a work around and user can perform tasks; Written Documentation - portions of information are missing but not enough to make the document unintelligible; Non Software - Services were deficient, require reworking, but do not require re-performance of the Service. o Class C Deficiency - Software - minimal, cosmetic in nature, minimal effect on System, low priority and/or user can use System; Written Documentation - minimal changes required and of minor editing nature; Non Software - Services require only minor reworking and do not require re-performance of the Service.	M	The COTS solution will be maintained, operated and supported per the contract terms.	The proposed solution will be a COTS solution and thus the solution will be able to comply with the following:  Class A Deficiency - system is not available or is not performing the function agreed upon during production go live  Class B Deficiency - COTS configuration issue with a workaround not impacting system utilization, but requires attention to resolve manual workaround.  Class C Deficiency - COTS configuration that has minimum impact on the function. Would be de prioritized to complete remediation on Class B and Class A deficiencies.
H4.7	As part of the maintenance agreement, ongoing support issues shall be responded to according to the following: a. Class A Deficiencies - The Vendor shall have available to the State on-call telephone assistance, with issue tracking available to the State, eight (8) hours per day and five (5) days a week with an email / telephone response within two (2) hours of request; or the Vendor shall provide support on-site or with remote diagnostic Services, within four (4) business hours of a request; b. Class B & C Deficiencies -The State shall notify the Vendor of such Deficiencies during regular business hours and the Vendor shall respond back within four (4) hours of notification of planned corrective action; The Vendor shall repair or replace Software, and provide maintenance of the Software in accordance with the Specifications, Terms and Requirements of the Contract.	M	The COTS solution will be maintained, operated and supported per the contract terms.	The proposed solution will be able to provide response times as described herein.
H4.8	The hosting server for the State shall be available twenty-four (24) hours a day, 7 days a week except for during scheduled maintenance.	M	The site will be available 24 hours a day and 7 days a week; however support will be per contract terms	The COTS solution will be available 24 hours a day and 7 days a week; however support will be available as described in H4.5

Contractor Initials 

Date 4/17/2023

Exhibit L: IT Requirements Workbook  
RFP-2023-DCYF-01-COMMU-01

H4.9	A regularly scheduled maintenance window shall be identified (such as weekly, monthly, or quarterly) at which time all relevant server patches and application upgrades shall be applied.	M	Most maintenance can occur without impact to business functionality due to failover and planning. On the rare occasion downtime is required, notice will be given in advance of scheduled maintenance window.	The COTS solution has full failover functionality allowing for maintenance to occur without impact to the business functionality.
H4.10	If The Vendor is unable to meet the uptime requirement, The Vendor shall credit State's account in an amount based upon the following formula: (Total Contract Item Price/365) x Number of Days Contract Item Not Provided. The State must request this credit in writing.	M	The COTS solution will be maintained, operated and supported per the contract terms.	Agreed for any uptime requirement not met for the COTS solution included in the proposal.
H4.13	The Vendor shall maintain a record of the activities related to repair or maintenance activities performed for the State and shall report quarterly on the following: Server up-time; All change requests implemented, including operating system patches; All critical outages reported including actual issue and resolution; Number of deficiencies reported by class with initial response time as well as time to close.	M	The COTS solution will be maintained, operated and supported per the contract terms. Release notes are provided as part of each release that describe changes in each release.	The COTS solution will not be able to provide the details identified herein. The proposed solution will be able upon request to provide documentation surrounding configurations changes that were completed in production through the change management process, see A2.19.
H4.14	The Vendor will give two-business days prior notification to the State Project Manager of all changes/updates and provide the State with training due to the upgrades and changes.	M	The COTS solution will be maintained, operated and supported per the contract terms.	Following the change management process see item A2.19 notification will be provided prior to implementation in production and training shall be performed either via in-person, video computer based training, and/or in documentation.

Contractor Initials DS  
AB

Date 4/17/2023

Exhibit L: IT Requirements Workbook  
RFP-2023-DCYF-01-COMMU-01

SUPPORT & MAINTENANCE REQUIREMENTS				
State Requirements				
Req #	Requirement Description	Criticality	Response	Example Response
<b>SUPPORT &amp; MAINTENANCE REQUIREMENTS</b>				
S1.1	The Vendor's System support and maintenance shall commence upon the Effective Date and extend through the end of the Contract term, and any extensions thereof.	M	The COTS solution will be maintained, operated and supported per the contract terms.	Agreed
S1.3	Repair Software, or any portion thereof, so that the System operates in accordance with the Specifications, terms, and requirements of the Contract.	M	The COTS solution will be maintained, operated and supported per the contract terms.	Based on assigned deficiencies the support team will resolve the issue and obtain acceptance following standard change management practices.
S1.6	The Vendor shall make available to the State the latest program updates, general maintenance releases, selected functionality releases, patches, and Documentation that are generally offered to its customers, at no additional cost.	M	The COTS solution will be maintained, operated and supported per the contract terms. Release notes are provided as part of each release that describe changes in each release.	These documents will be provided based on their availability from the third-party COTS solution.
S1.7	For all maintenance Services calls, The Vendor shall ensure the following information will be collected and maintained: 1) nature of the Deficiency; 2) current status of the Deficiency; 3) action plans, dates, and times; 4) expected and actual completion time; 5) Deficiency resolution information, 6) Resolved by, 7) Identifying number i.e. work order number, 8) Issue identified by;	M	The COTS solution will be maintained, operated and supported per the contract terms.	Agreed
S1.8	The Vendor must work with the State to identify and troubleshoot potentially large-scale System failures or Deficiencies by collecting the following information: 1) mean time between reported Deficiencies with the Software; 2) diagnosis of the root cause of the problem; and 3) identification of repeat calls or repeat Software problems.	M	The proposed solution and support will be able to diagnose root cause as needed as well as problem management to address repeat calls or configuration issues.	The proposed solution and support will be able to diagnose root cause as needed as well as problem management to address repeat calls or configuration issues.
S1.15	The State shall provide the Vendor with a personal secure FTP site to be used by the State for uploading and downloading files if applicable.	M	NA	agreed
S1.16	The hosting server for the State shall be available twenty-four (24) hours a day, 7 days a week except for during scheduled maintenance.	M	See H4.8	See H4.8

Contractor Initials 

Date 4/17/2023

# State of New Hampshire

## Department of State

### CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that GRANITE PATHWAYS is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 08, 2009. 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: 613581

Certificate Number: 0005778000



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 17th day of May A.D. 2022.

A handwritten signature in black ink, appearing to read "David M. Scanlan".

David M. Scanlan  
Secretary of State

**CERTIFICATE OF AUTHORITY**

I, Nick Brattan 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 Granite Pathways  
(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 April 13, 2023, at which a quorum of the Directors/shareholders were present and voting.  
(Date)

**VOTED:** That Kenneth Brezenoff (may list more than one person)  
(Name and Title of Contract Signatory)

is duly authorized on behalf of Granite Pathways to enter into contracts or agreements with the State  
(Name of Corporation/ LLC)

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: 04/13/2023

  
Signature of Elected Officer  
Name: Nick Brattan  
Title: Granite Pathways Board Chair



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
11/14/2022

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 any rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> USI Insurance Services LLC 333 Westchester Ave, Suite 102 White Plains, NY 10604 914 459-6200	<b>CONTACT NAME:</b> Faith Keegan <b>PHONE (A/C, No, Ext):</b> 914 459-6200 <b>FAX (A/C, No):</b> 610 537-4220 <b>E-MAIL ADDRESS:</b> Faith.Keegan@usi.com													
	<table border="1"> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A : Berkshire Hathaway Specialty Ins Co.</td> <td>22276</td> </tr> <tr> <td>INSURER B : Technology Insurance Company, Inc.</td> <td>42376</td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Berkshire Hathaway Specialty Ins Co.	22276	INSURER B : Technology Insurance Company, Inc.	42376	INSURER C :		INSURER D :		INSURER E :		INSURER F :
INSURER(S) AFFORDING COVERAGE	NAIC #													
INSURER A : Berkshire Hathaway Specialty Ins Co.	22276													
INSURER B : Technology Insurance Company, Inc.	42376													
INSURER C :														
INSURER D :														
INSURER E :														
INSURER F :														
<b>INSURED</b> Granite Pathways, Inc. 303 Belmont Street Manchester, NH 03103														

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			47SPK25564207	09/30/2022	09/30/2023	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$25,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COM/OP AGG \$3,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			47SMA14808008 MA Only 47RWS14808208 all other states	09/30/2022	09/30/2023	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10000			47SUM14808308	09/30/2022	09/30/2023	EACH OCCURRENCE \$25,000,000 AGGREGATE \$25,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	TWC4183651	12/08/2022	12/08/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	Professional Liab			47SPK25564207	09/30/2022	09/30/2023	\$1M Per occ / \$3M Agg
A	Sexual Abus/Moles			47SPK25564207	09/30/2022	09/30/2023	\$1M Per occ / \$3M Agg

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

**\*\* Auto Liability Information \*\***  
 A 47RWS14808208 Eff Date: 09/30/2022 Exp Date: 09/30/2023  
 Auto Liability: Any Auto, Hired Auto, Non-owned  
 (See Attached Descriptions)

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



## Granite Pathways Mission

*Using a holistic approach, Granite Pathways creates opportunities for individuals and families with barriers, to achieve health and socioeconomic well-being.*

**Consolidated Financial Statements and  
Supplementary Information Together  
with Report of Independent Certified  
Public Accountants**

**The FEDCAP Group**

**September 30, 2021 and 2020**

**Contents**

	<b>Page</b>
Report of Independent Certified Public Accountants	3
Consolidated Financial Statements	
Consolidated statements of financial position	5
Consolidated statements of activities	6
Consolidated statements of functional expenses	7
Consolidated statements of cash flows	9
Notes to consolidated financial statements	10
Supplementary Information	
Consolidating schedule of financial position	34
Consolidating schedule of activities	35



---

GRANT THORNTON LLP  
757 Third Avenue, 9th Floor  
New York, NY 10017

D +1 212 599 0100  
F +1 212 370 4520

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of  
The FEDCAP Group:

We have audited the accompanying consolidated financial statements of The FEDCAP Group (collectively, "FEDCAP") which comprise the consolidated statements of financial position as of September 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's responsibility for the financial statements

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

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 FEDCAP'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 FEDCAP's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The FEDCAP Group as of September 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other matters**

**Supplementary information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary 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 audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Grant Thornton LLP*

New York, New York  
February 2, 2022

**The FEDCAP Group**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**As of September 30,**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 42,982,639	\$ 24,926,770
Accounts receivable (net of allowance for doubtful accounts of approximately \$7,794,000 in 2021 and \$4,394,000 in 2020)	57,363,861	56,865,665
Contributions and grants receivable (net of allowance for uncollectible contributions of approximately \$250,000 in 2021 and 2020)	1,968,683	2,131,974
Inventories, net	464,262	407,002
Prepaid expenses and other assets	10,744,090	8,321,637
Total current assets	113,523,535	92,653,048
Investments	11,004,556	9,317,759
Goodwill, net	758,574	842,860
Property, plant and equipment, net	81,797,004	84,033,493
Beneficial interest in trusts	5,478,830	4,713,515
Other assets	2,489,899	478,067
Total assets	\$ 215,052,398	\$ 192,038,742
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 36,996,755	\$ 30,200,021
Deferred revenues	11,832,483	6,066,207
Advances from government agency	749,426	3,620,421
Current portion of obligations under capital leases	597,696	2,159,924
Current portion of Paycheck Protection Program notes payable	7,121,362	-
Current portion of notes payable	1,313,631	1,501,527
Total current liabilities	58,611,353	43,548,100
Capital lease obligations	35,145,994	34,181,372
Notes payable	25,655,630	30,515,955
Revolving loans	28,173,061	26,653,273
Paycheck Protection Program notes payable	3,163,579	12,481,054
Other liabilities	20,758,201	6,586,501
Total liabilities	171,507,818	153,966,255
Commitments and contingencies		
<b>Net assets</b>		
Without donor restrictions	33,166,395	29,925,809
Without donor restrictions - non-controlling interest	973,877	(440,118)
With donor restrictions	9,404,308	8,586,796
Total net assets	43,544,580	38,072,487
Total liabilities and net assets	\$ 215,052,398	\$ 192,038,742

The accompanying notes are an integral part of these consolidated financial statements.

## The FEDCAP Group

## CONSOLIDATED STATEMENTS OF ACTIVITIES

For the years ended September 30,

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>						
Contract services and products	\$ 117,740,604	\$ -	\$ 117,740,604	\$ 112,977,906	\$ -	\$ 112,977,906
Rehabilitation and vocational programs	198,546,052	-	198,546,052	153,984,201	-	153,984,201
Contribution and grant revenues	4,485,739	603,890	5,089,629	5,619,460	-	5,619,460
Inherent contribution	-	-	-	263	-	263
Gain on Paycheck Protection Program loan forgiveness	5,379,479	-	5,379,479	-	-	-
Realized and unrealized gains on investments	2,006,171	327,535	2,333,706	391,942	201,169	593,111
Interest income	528,690	-	528,690	205,383	-	205,383
Miscellaneous revenue	972,885	-	972,885	130,321	-	130,321
Net assets released from restrictions	113,913	(113,913)	-	113,913	(113,913)	-
<b>Total revenues</b>	<b>329,773,533</b>	<b>817,512</b>	<b>330,591,045</b>	<b>273,423,389</b>	<b>87,256</b>	<b>273,510,645</b>
<b>Expenses</b>						
Program services						
Contract services and products	99,587,090	-	99,587,090	97,048,935	-	97,048,935
Rehabilitation and vocational programs	162,442,512	-	162,442,512	136,046,180	-	136,046,180
	262,029,602	-	262,029,602	233,095,115	-	233,095,115
Supporting services						
Management and general	60,770,707	-	60,770,707	36,383,728	-	36,383,728
Development	2,318,643	-	2,318,643	3,598,260	-	3,598,260
	63,089,350	-	63,089,350	39,981,988	-	39,981,988
<b>Total expenses</b>	<b>325,118,952</b>	<b>-</b>	<b>325,118,952</b>	<b>273,077,103</b>	<b>-</b>	<b>273,077,103</b>
<b>CHANGE IN NET ASSETS</b>	<b>4,654,581</b>	<b>817,512</b>	<b>5,472,093</b>	<b>346,286</b>	<b>87,256</b>	<b>433,542</b>
Net assets at beginning of year	29,485,691	8,586,796	38,072,487	29,139,405	8,499,540	37,638,945
Net assets at end of year	\$ 34,140,272	\$ 9,404,308	\$ 43,544,580	\$ 29,485,691	\$ 8,586,796	\$ 38,072,487

The accompanying notes are an integral part of these consolidated financial statements.

## The FEDCAP Group

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2021

	Program Services			Supporting Services			Total Expenses
	Contract Services and Products	Rehabilitation and Vocational Programs	Total	Management and General	Development	Total	
Salaries and related expenses	\$ 77,223,909	\$ 82,136,922	\$ 159,360,831	\$ 15,795,496	\$ 1,308,284	\$ 17,103,780	\$ 176,464,611
Professional fees	203,519	35,240,097	35,443,616	6,407,491	348,363	6,755,854	42,199,470
Professional development and evaluation	-	692,113	692,113	577,706	4,683	582,389	1,274,502
Materials and supplies	2,567,509	2,822,303	5,389,812	253,172	16,047	269,219	5,659,031
Commissions	2,770,045	2,710	2,772,755	4,184	-	4,184	2,776,919
Telephone	166,776	1,046,799	1,213,575	1,524,244	5,754	1,529,998	2,743,573
Postage and shipping	91,547	98,929	190,476	83,354	13,222	96,576	287,052
Insurance	1,282,116	1,121,271	2,403,387	473,518	21,286	494,804	2,898,191
Occupancy costs	2,037,079	12,115,673	14,152,752	9,800,230	181,507	9,981,737	24,134,489
Equipment rental and maintenance	852,519	389,716	1,242,235	306,305	36,972	343,277	1,585,512
Equipment purchases	244,569	63,309	307,878	134,246	-	134,246	442,124
Client transportation and travel	267,616	526,329	793,945	190,506	-	190,506	984,451
Subscription and printing	22,576	255,683	278,259	662,894	46,180	709,074	987,333
Technology	279,043	1,132,971	1,412,014	4,002,260	21,000	4,023,260	5,435,274
Interest expense	-	31,336	31,336	3,759,121	-	3,759,121	3,790,457
Bank charges and processing fees	-	52,667	52,667	1,485,620	15,968	1,501,588	1,554,255
Bad debt provision	-	2,902,675	2,902,675	5,815,450	-	5,815,450	8,718,125
Subcontractor expense	11,262,008	9,955,313	21,217,321	1,090,203	2,189	1,092,392	22,309,713
Stipends	47,729	3,898,979	3,946,708	112,074	1,590	113,664	4,060,372
Security guard expense	8,358	157,238	165,596	28,438	347	28,785	194,381
Other	-	6,916,864	6,916,864	3,089,723	286,284	3,376,007	10,292,871
<b>Total expenses before depreciation and amortization</b>	<b>99,326,918</b>	<b>161,559,897</b>	<b>260,886,815</b>	<b>55,596,215</b>	<b>2,309,676</b>	<b>57,905,891</b>	<b>318,792,706</b>
Depreciation and amortization	260,172	882,615	1,142,787	5,174,492	8,967	5,183,459	6,326,246
<b>Total expenses</b>	<b>\$ 99,587,090</b>	<b>\$ 162,442,512</b>	<b>\$ 262,029,602</b>	<b>\$ 60,770,707</b>	<b>\$ 2,318,643</b>	<b>\$ 63,089,350</b>	<b>\$ 325,118,952</b>

The accompanying notes are an integral part of this consolidated financial statement.

## The FEDCAP Group

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2020

	Program Services			Supporting Services			Total Expenses
	Contract Services and Products	Rehabilitation and Vocational Programs	Total	Management and General	Development	Total	
Salaries and related expenses	\$ 74,358,692	\$ 82,121,469	\$ 156,480,161	\$ 13,141,708	\$ 1,478,745	\$ 14,620,453	\$ 171,100,614
Professional fees	152,185	20,662,291	20,814,476	2,260,231	794,585	3,054,816	23,869,292
Professional development and evaluation	11,472	360,983	372,455	227,206	5,382	232,588	605,043
Materials and supplies	3,445,688	2,007,974	5,453,662	146,699	15,591	162,290	5,615,952
Commissions	2,514,416	12,459	2,526,875	-	-	-	2,526,875
Telephone	86,175	331,392	417,567	1,002,765	5,194	1,007,959	1,425,526
Postage and shipping	171,723	78,718	250,441	92,182	131,337	223,519	473,960
Insurance	1,034,048	1,272,779	2,306,827	846,226	22,442	868,668	3,175,495
Occupancy costs	2,250,654	10,961,025	13,211,679	2,836,553	178,884	3,015,437	16,227,116
Equipment rental and maintenance	967,444	608,978	1,576,422	254,953	35,717	290,670	1,867,092
Equipment purchases	320,484	119,100	439,584	41,580	1,036	42,616	482,200
Client transportation and travel	242,530	1,490,685	1,733,215	415,420	88,195	503,615	2,236,830
Subscription and printing	49,070	296,847	345,917	503,126	40,841	543,967	889,884
Technology	329,854	1,683,260	2,013,114	2,264,647	31,918	2,296,565	4,309,679
Interest expense	-	18,609	18,609	4,219,963	-	4,219,963	4,238,572
Bank charges and processing fees	79,239	43,677	122,916	741,665	17,144	758,809	881,725
Bad debt expense	-	193	193	1,204,034	-	1,204,034	1,204,227
Subcontractor expense	10,632,908	7,420,600	18,053,508	2,222,177	13,421	2,235,598	20,289,106
Stipends	26,605	3,805,756	3,832,361	59,704	11,362	71,066	3,903,427
Security guard expense	1,200	221,556	222,756	27,602	224	27,826	250,582
Other	67,224	1,586,078	1,653,302	248,172	717,277	965,449	2,618,751
Total expenses before depreciation and amortization	96,741,611	135,104,429	231,846,040	32,756,613	3,589,295	36,345,908	268,191,948
Depreciation and amortization	307,324	941,751	1,249,075	3,627,115	8,965	3,636,080	4,885,155
Total expenses	\$ 97,048,935	\$ 136,046,180	\$ 233,095,115	\$ 36,383,728	\$ 3,598,260	\$ 39,981,988	\$ 273,077,103

The accompanying notes are an integral part of this consolidated financial statement.

**The FEDCAP Group**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the years ended September 30,

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 5,472,093	\$ 433,542
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	6,241,960	4,885,155
Amortization of goodwill	84,286	118,911
Bad debt provision	8,718,125	1,204,227
Realized and unrealized gains on investments	(2,333,706)	(593,111)
Paycheck Protection Plan loan forgiveness	(5,379,479)	-
Changes in assets and liabilities:		
Accounts receivable	(9,216,321)	(3,517,454)
Contribution receivable	163,291	2,320,367
Inventories	(57,260)	(295,309)
Prepaid expenses and other assets	(3,900,483)	334,198
Beneficial interest in remainder trust	(765,315)	(201,170)
Accounts payable and accrued liabilities	6,796,735	(9,401,336)
Deferred revenue	5,766,276	4,293,777
Other liabilities	14,171,700	2,311,645
	<u>25,761,902</u>	<u>1,893,442</u>
Net cash provided by operating activities		
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	192,628	505,011
Purchase of investments	(254,774)	(525,747)
Cash paid in acquisition	-	(200,000)
Cash received in acquisition	145,163	-
Capital expenditures	(3,975,471)	(2,179,498)
	<u>(3,892,454)</u>	<u>(2,400,234)</u>
Net cash used in investing activities		
<b>Cash flows from financing activities:</b>		
(Decrease) increase in advances from government agencies	(2,870,995)	3,187,024
Change in revolving loans	1,519,789	-
Proceeds from Paycheck Protection Plan notes payable	3,183,453	12,481,054
Proceeds from notes payable	-	531,218
Repayment of notes payable	(5,048,220)	-
Repayment of capital lease obligations	(597,606)	(587,196)
	<u>(3,813,579)</u>	<u>15,612,100</u>
Net cash (used in) provided by financing activities		
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>18,055,869</b>	<b>15,105,308</b>
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>24,926,770</u>	<u>9,821,462</u>
End of year	<u>\$ 42,982,639</u>	<u>\$ 24,926,770</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash interest paid during the year	<u>\$ 2,738,964</u>	<u>\$ 2,722,157</u>

The accompanying notes are an integral part of these consolidated financial statements.

The FEDCAP Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2021 and 2020

**NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES**

The FEDCAP Group, Inc. (the "Parent"), established on October 1, 2018, is a private, nonprofit organization incorporated under the laws of the State of Delaware. The Parent is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). The Parent is the sole member of the following affiliates: Fedcap, Inc ("Fed Inc."), Fedcap Rehabilitation Services, Inc ("FRS"), Wildcat Services Corporation ("Wildcat"), ReServe Elder Services, Inc. ("ReServe"), Community Workshops, Inc. ("CWS"), Easter Seals New York, Inc. ("ESNY"), 1184 Deer Park Ave., Inc. ("1184" or "Red Mango"), Granite Pathways, Inc ("GP"), Easter Seals Rhode Island, Inc ("ESRI"), Seacoast Pathways, Inc. ("Seacoast"), Single Stop USA Inc. ("SGST"), Benevolent, MVLE, Easter Seals Central Texas ("ESCT"), Easter Seals North Texas ("ESNT"), Fedcap Apex Acquisition, LLC, Civic Hall Labs, Inc, New York Tech Alliance (NYTA), Fedcap Canada, Fedcap UK, Kennedy Scott, Limited, Fedcap Employment Limited, Fedcap Employment Scotland Limited, and Start Scotland. The Parent and its subsidiaries are collectively referred to as "FEDCAP."

FRS is a private, nonprofit organization incorporated under the laws of New York State. FRS is exempt from federal income taxes under Section 501(c)(3) of the IRC.

FRS was founded to provide a comprehensive range of vocational and related services to individuals with disabilities, and other work-related disadvantages, who face significant barriers to employment. FRS's goal is to help each person achieve independence, integration into the community and full participation in the economic mainstream.

FRS provides contract services and products within custodial, homecare, office services, and industrial divisions. The primary customers in these divisions are federal, and New York State and City agencies and certified home health agencies.

As part of FRS's rehabilitation and vocation programs, FRS provides vocational evaluations, training, and employment services and other government-funded employment and job search programs. Evaluations combine aptitude tests, computerized assessments, and vocational counseling. After evaluation, FRS offers training in mail clerk/messenger services, building/custodial services, culinary arts/food services, data entry, office skills, document imaging, hospitality operations, and security operations. FRS then seeks to employ individuals who have successfully completed FRS's rehabilitation and vocational programs. FRS also offers the Chelton Loft, a voluntary clubhouse program for people with a history of serious mental illness. FRS also has a vocational education program and a licensed mental health program.

Wildcat is a nonprofit entity that is located in New York City and provides employment training, jobs placement and "supportive employment" opportunities for individuals with barriers to employment.

ReServe is a nonprofit entity located in New York City that matches continuing professionals age 55+ with organizations that need their expertise. Reserve provides direct services, administrative support, and capacity-building expertise in schools, social service agencies, cultural institutions, and public agencies.

CWS is a nonprofit corporation located in Boston, Massachusetts, whose mission is to help people who have barriers to work obtain employment and achieve greater self-sufficiency through job training, placement, and support services.

ESNY is a nonprofit entity whose purpose is to provide programs and services for people with disabilities, assistance to people with disabilities and their families, assistance to communities in developing necessary and appropriate resources for residents, and a climate of acceptance for people with disabilities which will enable them to contribute to the well-being of the community.

The FEDCAP Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

ESNY is the sole member of These Our Treasures, Inc. ("TOTS"), a nonprofit entity whose purpose is to educate young children with developmental disabilities in an atmosphere that embraces and accommodates individual differences and helps children to achieve in the context of the larger classroom and school setting.

GP is a nonprofit entity whose mission is to provide services to empower and support adults with mental illness to pursue their personal goals through education, employment, stable housing, and meaningful relationships.

ESRI is a nonprofit entity whose purpose is to provide services to ensure that all people with disabilities or special needs and their families have equal opportunities to live, learn, work and play in their communities.

Seacoast is a nonprofit entity whose mission is to support adults living with mental illness on their paths to recovery through the work-ordered day.

SGST is a nonprofit entity that provides coordinated services to holistically connect people to the resources they need to attain higher education, obtain good jobs, and achieve financial self-sufficiency.

Benevolent is a nonprofit entity that provides economic wellbeing to individuals and families in need, through non-government sources.

MVLE is a nonprofit entity that provides employment, support and rehabilitation services to individuals with disabilities in the Northern Virginia and Washington, D.C. area.

Fed Inc. was established as a private, nonprofit organizations under the laws of the State of Delaware. Fed, Inc. was formed to provide workforce development opportunities for people who face barriers to economic well-being.

ESCT provides services to individuals with disabilities throughout the life cycle through outpatient medical rehabilitation, workforce development and community housing and integration programs in the Central Texas region.

ESNT provides services to individuals with disabilities throughout the life cycle through outpatient medical rehabilitation, workforce development and community housing and integration programs in the North Texas region.

Fedcap UK was established and was registered as a UK Charity. Fedcap UK was founded to allow for the advancement of social inclusion, by enabling economic independence, employment and opportunity to participate in society for socially and economically disadvantaged and disabled individuals through various workforce and economic development, educational and occupational health initiatives.

Fedcap UK acquired Kennedy Scott, Limited ("KS"), a United Kingdom company through a stock purchase. KS provides high quality job support, placement, retention and related services to people in the United Kingdom.

Fedcap Employment Limited ("FED") was established under the laws of the United Kingdom. FED delivers employability solutions across the United Kingdom to build communities through a blend of local frontline professional teams and like-minded supply chain partners. Fedcap UK is the sole corporate member of FED.

Fedcap Employment Scotland Limited ("FES") was established under the laws of Scotland in the United Kingdom. FES delivers employability solutions across Scotland to build communities through a blend of local frontline professional teams and like-minded supply chain partners. Fedcap UK is the sole corporate member of FES.

**The FEDCAP Group**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2021 and 2020**

FES is the majority shareholder of Start Scotland Limited ("SS"). SS is a value-driven organization that strives to put its customers first, understanding their needs and closely engaging with them on a personal level to help them on their journey to employment and training.

On December 17, 2019, FRS formed Fedcap Apex Acquisition LLC, which executed an asset purchase agreement effective September 18, 2020 for the assets and liabilities of Breton International, Inc. (a/k/a Apex Technical School). Apex Technical School ("APEX") is an adult vocational technical school and offers seven certificate courses designed to focus on basic trade skills and labor skills for its students.

On January 10, 2020, Fedcap Canada was established as a not-for-profit organization according to the Canada Not-for profit Corporations Act. Fedcap Canada was founded to advance the economic and social well-being of the impoverished and disadvantaged by providing educational services, vocational rehabilitation, job training and job placement services. The Parent is the sole corporate member of Fedcap Canada.

On May 1, 2021, The Fedcap Group acquired Civic Hall Labs, Inc., a learning and collaboration platform focused on advanced technology and problem-solving for the public good.

On September 23, 2021, Civic Hall Labs, Inc., acquired New York Tech Alliance ("NYTA"), an organization that supports the technology community and ecosystems in our hometown, with the goal of creating the most diverse, equitable and accessible tech ecosystems in the world.

**NOTE 2 - SUMMARY OF ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying consolidated financial statements of FEDCAP have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") using the accrual basis of accounting. All intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements.

FEDCAP classifies its net assets in the following categories:

**Net Assets without Donor Restrictions**

Net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operations of FEDCAP. Net assets without donor restrictions may also be designated for specific purposes by FEDCAP's Board of Directors or may be limited by legal requirements or contractual agreements with outside parties.

Net assets without donor restrictions also includes the portion of net assets in a consolidated subsidiary owned by non-controlling investors and are reflected on the consolidated statements of financial position as net assets without donor restrictions - non-controlling interests.

**Net Assets with Donor Restrictions**

Represent net assets which are subject to donor-imposed restrictions whose use is restricted by time and/or purpose. Net assets with donor restrictions are subject to donor-imposed restrictions that require FEDCAP to use or expend the gifts as specified, based on purpose or passage of time. When donor restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends, such net assets are reclassified to net assets without donor restrictions and reported on the consolidated statements of activities as net assets released from restrictions.

## The FEDCAP Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

Contributions with donor-imposed restrictions whose restrictions are met during the same fiscal year in which the contribution was recognized are presented as contribution revenues without donor restrictions on the consolidated statements of activities.

Net assets with donor restrictions also includes the corpus of gifts, which must be maintained in perpetuity, but allow for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes in accordance with donor stipulations.

Changes in net assets without donor restrictions and the non-controlling interest in Start Scotland Limited during the years ended September 30, 2021 and 2020 is summarized below:

	Total Without Donor Restrictions	Without Donor Restrictions	Non-controlling Interest
Balance, September 30, 2019	\$ 29,139,405	\$ 29,006,372	\$ 133,033
Change in net assets from operations	<u>346,286</u>	<u>919,437</u>	<u>(573,151)</u>
Balance, September 30, 2020	29,485,691	29,925,809	(440,118)
Change in net assets from operations	<u>4,654,581</u>	<u>3,240,586</u>	<u>1,413,995</u>
Balance, September 30, 2021	<u>\$ 34,140,272</u>	<u>\$ 33,166,395</u>	<u>\$ 973,877</u>

**Cash Equivalents**

FEDCAP considers all highly liquid debt instruments with a maturity of three months or less at the date of purchase, including investments in short-term certificates of deposit and certain money market funds, to be cash equivalents.

**Revenue Recognition**

In accordance with FASB Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), FEDCAP recognizes revenue when control of the promised goods or services are transferred to FEDCAP's clients or outside parties in an amount that reflects the consideration FEDCAP expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

FEDCAP has identified contract services and products revenues and rehabilitation and vocational program revenues as revenue categories subject to ASC 606. FEDCAP recognizes revenues from contracts with customers, as goods or services are transferred or provided in accordance with ASC 606.

Payments received in advance of FEDCAP satisfying its performance obligations are recorded within deferred revenue in the accompanying consolidated statements of financial position (\$10,506,683 and \$4,951,251, as of September 30, 2021 and 2020, respectively). The changes in deferred revenue were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

FEDCAP's contracts with customers generally contain terms that are less than one year. Accordingly, FEDCAP elected the practical expedients under ASC 606 to not assess whether a contract has a significant financing component or disclose the information regarding the remaining performance obligations for contracts with customers.

The FEDCAP Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

FEDCAP's revenue primarily relates to contract services and products, and rehabilitation and vocational programs. Revenue recognition for these various revenue streams is at the point in time coinciding with the completion of the corresponding performance obligations to customers.

***Contract Services and Products***

FEDCAP's contract services and products revenue includes HomeCare services, facility services, and other cost recovery contracts. FEDCAP recognizes such revenue ratably over a contract's term for those with fixed rates as the performance obligations are fulfilled accordingly over the corresponding contract term. For performance-based contracts, revenues are recognized in the period when related expenditures have been incurred, milestones have been achieved, or services have been performed in compliance with the respective contracts, which are the performance obligations under the contracts. FEDCAP also generates revenue from the sale of related products, which is recognized at the time of shipment.

***Rehabilitation and Vocational Programs***

FEDCAP's rehabilitation and vocational program revenue includes medical services, tuition and job training. FEDCAP recognizes such revenue ratably over a contract's term for those with fixed rates as the performance obligations are fulfilled accordingly over the corresponding contract term. For performance-based contracts, revenues are recognized in the period when related expenditures have been incurred, milestones have been achieved, or services have been performed in compliance with the respective contracts, which are the performance obligations under the contracts. FEDCAP also generates revenue from the sale of related products, which is recognized at the time of shipment.

As of September 30, 2021, FEDCAP has provided for a contract loss liability in the amount of \$2,069,284 which represents the excess of costs to complete the remaining performance obligations of the contract over the consideration to be received for the remainder of the contract. The liability is reflected within other liabilities on the accompanying 2021 consolidated statement of financial position and the corresponding expense is reflected within other expenses on the accompanying 2021 consolidated statement of functional expenses.

***Contribution and Grant Revenue***

FEDCAP records contributions of cash and other assets when an unconditional promise to give such assets is received from a donor. Contributions are recorded at the fair value of the assets received and contributions with donor stipulations that limit the use of donated assets are classified as net assets with donor restrictions. Contributions with donor restrictions that are received and met in the same fiscal year are recorded as contribution revenues without donor restrictions. Otherwise, once stipulated time restrictions end or purpose restrictions are accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions as "net assets released from restrictions" in the consolidated statements of activities. Conditional contributions are recognized as revenue when the conditions on which they depend are substantially met. Conditional contributions received in advance of meeting the associated contributions are recorded as deferred revenue on the accompanying consolidated statements of financial position (\$1,325,800 and \$1,114,956, as of September 30, 2021 and 2020, respectively). There were no outstanding conditional contributions yet to be received as of September 30, 2021 or 2020.

FEDCAP recognizes revenue from contributions, grants and contracts in accordance with Accounting Standards Update ("ASU") 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Accordingly, FEDCAP evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, FEDCAP applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, FEDCAP evaluates whether the contribution is conditional based

The FEDCAP Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

upon whether the agreement includes both (1) one or more barriers that must be overcome before FEDCAP is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

***Receivables and Allowance for Doubtful Accounts***

Accounts receivable are derived from contract services and products, and rehabilitation and vocational programs. The carrying value of contributions and grants and accounts receivable are reduced by an appropriate allowance for uncollectible accounts, and therefore approximates net realizable value. FEDCAP determines its allowance by considering a number of factors, including the length of time receivables are past due, FEDCAP's previous loss history, the donor's current ability to pay its obligation, and the condition of the general economy and the industry as a whole. Receivables outstanding longer than the payment terms are considered past due. FEDCAP writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are recorded as income in the period received. All receivables are expected to be collected within one year.

***Inventories***

Inventories, mainly consisting of distress marker light products and related components, are valued at the lower of cost or net realizable value. Cost is determined principally by the first-in, first-out method.

***Fixed Assets***

Fixed assets purchased for a value greater than \$5,000 and with depreciable lives greater than one year are carried at cost, net of accumulated depreciation. Depreciation is provided over the estimated useful life of the respective asset and ranges from three to 40 years. Significant additions or improvements extending asset lives are capitalized; normal maintenance and repair costs are expensed as incurred. Leasehold improvements are amortized based on the lesser of the estimated useful life or remaining lease term.

***Functional Allocation of Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities. The classification is based on the function and nature of expenses directly used in the program. Common expenses are allocated to the programs and supporting services based on the benefit derived. The methods used for the allocation include square footage and actual percentage of time dedicated to the program or supporting service.

***Commissions***

FEDCAP pays commissions to an unrelated not-for-profit entity and a New York State entity to provide information on government contracts that need competitive bids for services. The contracts provide for commissions to be paid to these organizations in the range of 0.87% to 3.9% of the contract amount. Commissions paid relating to these contracts amounted to \$2,776,919 and \$2,526,875 for the years ended September 30, 2021 and 2020, respectively, and are included within contract services and products expense in the accompanying consolidated statements of activities.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. These estimates and assumptions relate to estimates of collectability of accounts receivable, accruals, useful life of property, plant, and equipment, and impairment of long-lived assets. Actual results could differ from those estimates.

The FEDCAP Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

***Fair Value Measurements***

FEDCAP follows guidance for fair value measurements that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and enhances disclosure requirements for fair value measurements. It maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the transparency of inputs as follows:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.
- Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.
- Level 3 - Securities that have little to no pricing observability as of the measurement date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the entity. FEDCAP considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to FEDCAP's perceived risk of that instrument.

***Beneficial Interest in Trusts***

Donors have established and funded trusts held by third parties under which specified distributions are to be made to a designated beneficiary or beneficiaries over the trusts' term. FEDCAP's beneficial interest in trusts consists of interests in both charitable remainder trusts and perpetual trusts. Under charitable remainder trusts, FEDCAP will receive the assets remaining in the trust upon the termination of the trust. Under perpetual trusts, FEDCAP has the irrevocable right to receive all or a portion of the income earned on the trust assets either in perpetuity or for the life of the trust. FEDCAP recognizes its interest in trusts as increases to net assets at the fair value of trust assets, less the present value of the estimated future payments to be made under the specific terms of the trusts. Fluctuations in the fair value of these assets are recorded as changes in net assets with donor restrictions in the consolidated statements of activities.

## The FEDCAP Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

At September 30, 2021 and 2020, FEDCAP's beneficial interest in trusts are reflected at fair value in the accompanying consolidated statements of financial position and are classified as Level 3 within the fair value hierarchy.

	2021	2020
Balance, beginning of year	\$ 4,713,515	\$ 4,512,345
Contributions/additions		
Distributions	(132,237)	(53,160)
Appreciation	897,552	254,330
Balance, end of year	<u>\$ 5,478,830</u>	<u>\$ 4,713,515</u>

**Impairment of Long-lived Assets**

FEDCAP reviews the carrying values of its long-lived assets, including property and equipment and other assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. Recoverability of long-lived assets is assessed by a comparison of the carrying amount of the asset to the estimated future net cash flows expected to be generated by the asset.

If estimated future net cash flows are less than the carrying amount of the asset, the asset is considered impaired and an expense is recorded in an amount to reduce the carrying amount of the asset to its fair value.

**Tax-Exempt Status**

FEDCAP follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

FEDCAP is exempt from federal income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to their respective exempt purpose, unless that income is otherwise excluded by the IRC. These organizations have processes presently in place to ensure the maintenance of their tax-exempt status, to identify and report unrelated income, to determine their filing and tax obligations in jurisdictions for which they have nexus, and to identify and evaluate other matters that may be considered tax positions. FEDCAP has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

While FEDCAP does not pay income tax within the United States, it does accrue Value-Added-Tax (VAT) for liabilities its United Kingdom subsidiaries incur on goods and services purchased overseas. The amount of VAT liability accrued within the accompanying consolidated financial statements for the year ending September 30, 2021, is \$5,951,677 and is reported in other liabilities on the accompanying 2021 consolidated statement of financial position.

## The FEDCAP Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

**Goodwill**

Goodwill was established through the acquisition of APEX in 2020 and KS in 2019. The value reported on the consolidated statements of financial position represents the residual difference between the consideration paid and the fair value of the net assets acquired. FEDCAP has elected under relevant guidance to amortize goodwill on a straight-line basis over 10 years and to perform a goodwill impairment analysis at the entity or reporting unit level when a triggering event occurs that indicates the fair value of the entity or reporting unit may be below its carrying amount. No impairment charges were recorded during fiscal 2021 or 2020.

**NOTE 3 - CONTRIBUTIONS AND GRANTS RECEIVABLE**

At September 30, 2021 and 2020, contributions and grants receivable consisted of receivables amounting to \$2,218,683 and \$2,381,974, respectively, net of an allowance for doubtful accounts of \$250,000 for each year. Contributions and grants receivable as of September 30, 2021 and 2020 are expected to be collected within one year.

Approximately 27% and 35% of the contributions and grants receivable (gross) is due from one donor at September 30, 2021 and 2020, respectively.

**NOTE 4 - INVESTMENTS**

Investments, at fair value, consisted of the following at September 30:

	2021	2020
Money market funds	\$ 600,570	\$ 320,331
Mutual funds	10,403,986	8,997,428
	<u>\$ 11,004,556</u>	<u>\$ 9,317,759</u>

FEDCAP's mutual fund investments are classified as Level 1 within the fair value hierarchy. FEDCAP's money market fund investments do not meet the definition of a security under U.S. GAAP, and as such, the disclosure requirements for fair value measurements are not applicable.

**NOTE 5 - INVENTORIES, NET**

Inventories consisted of the following at September 30:

	2021	2020
Inventories		
Raw materials	\$ 390,158	\$ 308,727
Work-in-process and finished goods	164,104	188,275
Reserve	(90,000)	(90,000)
	<u>\$ 464,262</u>	<u>\$ 407,002</u>

## The FEDCAP Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

**NOTE 6 - PROPERTY, PLANT AND EQUIPMENT, NET**

Fixed assets, net, consisted of the following at September 30:

	2021	2020
Land	\$ 1,617,809	\$ 1,617,809
Building improvements	4,496,457	4,325,368
Buildings	40,172,758	40,342,758
Capital lease - building	35,918,547	35,918,547
Furniture, fixtures and computer systems	23,142,700	20,366,303
Leasehold improvements	9,945,974	10,284,087
	<u>115,294,245</u>	<u>112,854,872</u>
Less: accumulated depreciation	<u>(33,497,241)</u>	<u>(28,821,379)</u>
	<u>\$ 81,797,004</u>	<u>\$ 84,033,493</u>

Depreciation and amortization expense for the years ended September 30, 2021 and 2020 was \$6,241,960 and \$4,885,155, respectively.

**NOTE 7 - CAPITAL LEASES**

In May of 2014, FRS entered into a condominium leasehold agreement in a building located at 205 East 42nd Street in New York City for 64,303 square feet of space consisting of the entire second and third floor and a portion of the ground floor. FRS began occupying the space in December 2014 and the agreement expires in fiscal 2043. The interest rate is fixed at 4.20%. FRS accounted for this agreement as a capital lease, and as such, the related cost of \$35,918,547 representing the present value of the total future minimum lease payments due at the inception of the agreement, is included within property, plant and equipment, net in the accompanying consolidated statements of financial position at September 30, 2021 and 2020. Depreciation expense of \$1,238,571 was recorded in fiscal years 2021 and 2020. The outstanding principal balance on the lease, inclusive of accrued interest expense, as of September 30, 2021 and 2020, is \$35,480,647 and \$35,892,124, respectively.

In 2015 and 2016, ESCT obtained financing pursuant to a capital lease to finance equipment in the amount of \$109,418, principal and interest are paid monthly. As of September 30, 2021, the asset was fully depreciated and the lease liability was paid off in full. The outstanding principal balance on the lease as of September 30, 2020, was \$5,250. The interest rate varied from 0% - 0.99%.

During fiscal 2018, ESNY obtained financing pursuant to a capital lease to finance vehicles in the amount of \$128,298, principal and interest are paid monthly. As of September 30, 2021, and 2020, the accumulated depreciation balance was \$112,551 and \$86,892, respectively. The outstanding principal balance on the lease as of September 30, 2021 and 2020 was \$16,383 and \$42,042, respectively. The maturity dates are through June 30, 2022 and the interest rates are fixed at 6.7% and 8.00%.

During fiscal 2018, FRS obtained financing pursuant to a capital lease to finance vehicles in the amount of \$370,074, principal and interest are paid monthly. As of September 30, 2021, and 2020, the accumulated depreciation balance was \$313,258 and \$272,309, respectively. The outstanding principal balance on the lease as of September 30, 2021 and 2020 was \$23,893 and \$97,233, respectively. The interest rate varies from 3.31% to 5.21%.

## The FEDCAP Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

During fiscal 2018, FRS obtained financing pursuant to a capital lease to finance vehicles in the amount of \$82,264 principal and interest are paid monthly. As of September 30, 2021, and 2020, accumulated depreciation associated with these lease agreements was \$66,274 and \$48,821, respectively. The outstanding principal balance on the lease as of September 30, 2021 and 2020 was \$16,547 and \$34,001, respectively. The maturity dates are through November 30, 2022 and the interest rate varies from 7.10% to 7.45%.

On September 14, 2018, FRS obtained financing pursuant to a capital lease to finance office furniture in the amount of \$463,495; principal and interest are paid monthly. As of September 30, 2021, and 2020, the accumulated depreciation balance was \$198,641 and \$132,427, respectively. The outstanding principal balance on the lease as of September 30, 2021 and 2020 was \$185,487 and \$270,646, respectively. The maturity dates are through June 2023 and the interest rate is 6.58%.

During fiscal 2021, FRS obtained financing pursuant to a capital lease to finance vehicles in the amount of \$30,245, principal and interest are paid monthly. As of September 30, 2021, the accumulated depreciation balance was \$6,049. The outstanding principal balance on the lease as of September 30, 2021 was \$20,733. The maturity date goes through September 2024 and the interest rate is 3.80%.

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of September 30, 2021:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 2,095,782
2023	2,001,242
2024	1,917,541
2025	2,192,944
2026	2,249,316
Thereafter	46,325,101
	56,781,926
Total minimum lease payments	
Less: amount representing interest	<u>(21,038,236)</u>
Present value of net minimum lease payments	<u>\$ 35,743,690</u>

**NOTE 8 - REVOLVING LOANS*****Israel Discount Bank of New York***

FRS entered into a revolving loan agreement with Israel Discount Bank of New York ("IDB") to finance working capital needs with an aggregate principal amount not to exceed \$25,000,000. The line is collateralized by FEDCAP's accounts receivable and matured on October 17, 2020. The interest rate for the revolving loan agreement is the Prime Rate. As of September 30, 2021, the loan was paid off and refinanced with Investors Bank, which is more fully described below. As of September 30, 2020, FRS had borrowings on the line of credit of \$23,653,273 at an interest rate of 3.94%.

## The FEDCAP Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

**RBS Citizens Bank, N.A.**

ESNY has an agreement with RBS Citizens Bank, N.A for a \$3,000,000 revolving line of credit with FRS as the co-borrower, which matured in May 2019. As of September 30, 2021, the line of credit was paid off and refinanced with Investors Bank, which is more fully described below. As of September 30, 2020, ESNY had borrowings on this line of credit of \$3,000,000, at an interest rate of 3.06%.

**Investors Bank**

On October 27, 2020, FEDCAP entered into an agreement with Investors Bank to refinance certain of its previous debt arrangements as well as to provide for additional liquidity for operations. In connection with the refinancing, FEDCAP entered into (1) a revolving line of credit agreement with a borrowing limit of \$42,500,000, with a maturity date of October 27, 2022 and interest payable quarterly at a rate of prime plus 0.75% but no less than 4.00%; and (2) two term loans in the amounts of \$6,600,000 and \$6,000,000, respectively, both with a maturity date of November 1, 2030 and monthly payments of principal and interest at a rate of 4.00% (as detailed within Note 9). The revolving line of credit agreement requires that FEDCAP maintain minimum unrestricted liquid assets of \$10,000,000. The proceeds from the revolving line of credit and term loans were used to repay the previous revolving credit lines with Israel Discount Bank of New York ("IDB") held by FRS and RBS Citizens Bank, N.A held by ESNY. Additionally, the proceeds were used to repay previous note and bond payables, specifically FRS Series 2017A and 2017B Bonds, ESNY Series 2010 Bonds, and ESNY Mortgage (as detailed within Note 9). As of September 30, 2021, FEDCAP had borrowings on this line of credit of \$28,173,061 at an interest rate of 4.00%.

**NOTE 9 - LONG-TERM DEBT****Notes Payable**

On October 21, 2004, TOTS entered into a \$700,000 mortgage note payable to finance the acquisition of the building located in Bronx, New York. The note was secured by the property and all of the assets of TOTS. The interest rate is 5.0% and principal and interest of \$4,960 is payable monthly through the maturity date of November 1, 2024. At September 30, 2021 and 2020, the outstanding principal balance was \$173,791 and \$223,137, respectively.

On December 5, 2014, ESNY entered into a \$1,980,000 mortgage note payable to finance the acquisition of certain property located in Valhalla, New York. The note was secured by the property and is guaranteed by FEDCAP. The interest rate was 3.66% for the first 60 months then, as of the first day of the 61st month, the interest rate was reset to 1.75% in excess of the then bank's five-year cost of funds. Principal and interest of \$32,440 was payable monthly through the maturity date of January 1, 2025. On October 27, 2020, the note was repaid through a refinancing with Investors Bank. At September 30, 2020, the outstanding principal balance was \$1,553,472.

On December 13, 2016, ESCT entered into a \$18,558 note payable with J.P. Morgan Chase Bank, N.A. The note is secured by the assets of ESCT. The interest rate is 6.1% and principal and interest are paid monthly. The note matures in December 2021. As of September 30, 2021 and 2020, the outstanding principal balance was \$1,068 and \$5,188, respectively.

On September 18, 2020, FRS and Fedcap Apex Acquisition, LLC purchased all of the existing assets and liabilities of Apex Technical School for an amount of \$1,851,658. As part of the initial agreement, \$100,000 was paid to the seller on the acquisition date, with another \$100,000 to be paid in four increments of \$25,000 beginning October 2020. The note is uncollateralized and is non-interest bearing. The remaining \$1,651,658 to be paid within 18 months after the purchase date. At September 30, 2021 and 2020, the outstanding principal balance was \$165,165 and \$1,749,142, respectively.

## The FEDCAP Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

On October 27, 2020, FEDCAP entered into an agreement with Investors Bank to refinance certain of its existing debt arrangements as well as to provide for additional liquidity for operations. In connection with the refinancing, FEDCAP entered into (1) a revolving line of credit agreement with a borrowing limit of \$42,500,000, with a maturity date of October 27, 2022 and interest payable quarterly at a rate of prime plus 0.75% but no less than 4.00%; and (2) two term loans in the amounts of \$6,000,000 ("Facility A") and \$6,600,000 ("Facility C"), respectively, with a maturity date of November 1, 2045 and November 1, 2030 respectively, along with monthly payments of principal and interest at a rate of 4.00%. The proceeds from the revolving line of credit and term loans were used to repay the existing revolving credit lines held by FRS and ESNY (as detailed within Note 8), the FRS Series 2017A and 2017B Bonds, ESNY Series 2010 Bonds, and ESNY Mortgage (as detailed above). At September 30, 2021, the outstanding principal balance of the term loans Facility A and C was \$12,174,762.

**Bonds Payable**

In December 2013, FRS entered into a Loan Agreement with Build NYC Resource Corporation ("Build NYC"), a local development corporation, for Build NYC to issue bonds to finance the purchase of the sixth floor of a building located at 633 Third Avenue in New York City and related expenses. Build NYC issued \$18,450,000 of tax-exempt revenue bonds ("Series 2013A"). Monthly payments of interest commenced in June 2014. The Series 2013A bonds have a coupon rate of 4.2% with a maturity date of December 1, 2033. The Series A bonds were placed with IDB and, as part of the bond purchase and continuing covenant agreement between FRS and IDB, FRS must maintain a minimum balance with IDB of \$4,000,000, which is included within investments in the accompanying consolidated statements of financial position at September 30, 2021 and 2020. At September 30, 2021 and 2020, the outstanding principal balance of the Series 2013A bonds was \$15,420,000 and \$15,975,000, respectively.

On December 2010, ESNY in connection with the Monroe County Industrial Development Corporation and RBS Citizens Bank, N.A. issued \$5,250,000 in Series 2010 tax-exempt Revenue Bonds ("Series 2010"). The Series 2010 bonds were used to finance the acquisition of certain property located in Irondequoit, New York and to refinance certain ESNY debt. The Series 2010 bonds were secured by a mortgage on all properties and improvements financed by the bond and were guaranteed by FRS. ESNY may elect to prepay some portion or all of the outstanding bonds subject to a prepayment fee as defined in the agreement. The agreement also required bank approval prior to ESNY incurring additional indebtedness. The Series 2010 bonds were subject to tender for mandatory purchase at the election of the bondholder beginning June 1, 2016 and thereafter every five years through June 1, 2036. On October 27, 2020, the bonds were repaid through a refinancing with Investors Bank. At September 30, 2020, the outstanding principal balance of the Series 2010 bonds was \$4,110,260.

On February 23, 2011, ESNY entered into an interest rate swap agreement with a bank in connection with the Series 2010 Bonds. The outstanding notional amount decreased, in conjunction with bond principal reductions, until the agreement terminates in January 2031. ESNY remitted interest at a fixed rate of 2.99% and received interest at a variable rate. On October 27, 2020, the swap was settled and terminated through a refinancing with Investors Bank. The swap agreement had a notional amount of \$4,099,290 and fair value of \$876,764 at September 30, 2020. The interest rate swap is included within other liabilities in the accompanying 2020 consolidated statement of financial position.

## The FEDCAP Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

In December 2017, FEDCAP entered into a loan agreement with Build NYC for Build NYC to issue bonds to finance the renovation, equipping and furnishing of the improvements of the sixth floor located at 633 Third Avenue in New York City and related expenses. Build NYC issued \$9,280,000 of tax-exempt revenue bonds ("Series 2017A") and \$715,000 of taxable revenue bonds ("Series 2017B"). Monthly payments of interest commenced in February 2018. The Series 2017A bonds had a coupon rate of 3.9% with a maturity date of December 1, 2042. The Series 2017B bonds had a coupon rate of 4.5% with a maturity date of December 1, 2027. The 2017A and 2017B bonds were placed with TD Bank. On October 27, 2020, the bonds were repaid through a refinancing with Investors Bank. At September 30, 2020, the outstanding principal balance of the Series 2017A and 2017B bonds was \$9,223,326.

The following is a summary of minimum principal payments due on the notes and bonds at September 30, 2021:

<u>Year Ending September 30,</u>	<u>Notes Payable</u>	<u>Bonds Payable</u>	<u>Total</u>
2022	\$ 733,631	\$ 580,000	\$ 1,313,631
2023	570,089	605,000	1,175,089
2024	572,925	630,000	1,202,925
2025	525,337	655,000	1,180,337
2026	515,489	685,000	1,200,489
Thereafter	<u>9,597,315</u>	<u>12,265,000</u>	<u>21,862,315</u>
Total	<u>\$ 12,514,786</u>	<u>\$ 15,420,000</u>	27,934,786
Less: current portion			(1,313,632)
Less: bond issuance cost			<u>(965,524)</u>
Long-term debt, net of current portion			<u>\$ 25,655,630</u>

**NOTE 10 - ADVANCES FROM GOVERNMENT AGENCY**

During fiscal 2020 and 2019, FEDCAP received contract advances from various New York City government agencies. The refundable balance related to these advances as of September 30, 2021 and 2020 is \$749,426 and \$3,620,421, respectively. These advances are non-interest bearing and will be offset by future receivables within these programs.

**NOTE 11 - FORGIVABLE CAPITAL ADVANCES**

ESCT has received financial assistance for property acquisition costs from Housing and Urban Development ("HUD") and the Austin Housing Finance Corporation ("AHFC"). Under the terms of the agreements, funds were provided to ESCT in the form of forgivable capital advances to purchase 34 housing entities. The principle and any interest are not due and will be forgiven upon maturity, as long as ESCT continues to meet the requirements to maintain the housing units available for low income persons with disabilities. ESCT believes that the possibility that repayment will occur is remote and as such that the treatment of the advance as a contribution upon receipt is appropriate. Accordingly, the advances were recorded as contributions with donor restrictions that are released from restriction over the life of the agreement.

## The FEDCAP Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

The following table summarizes the forgivable capital advances as of September 30, 2021:

	<u>Amount of Original Advance</u>
Housing I U.S. Department of HUD, interest rate of 5.375%, due unless forgiven on October 11, 2045, secured by six rental housing units. At September 30, 2021 and 2020, \$248,660 and \$258,985, respectively, was included in net assets with donor restrictions related to the Note.	\$ 413,000
Housing II U.S. Department of HUD, interest rate of 5.250%, due unless forgiven on April 1, 2048, secured by 10 rental housing units. At September 30, 2021 and 2020, \$474,247 and \$492,087, respectively, was included in net assets with donor restrictions related to the Note.	713,600
City of Austin passed through AHFC, interest rate of 0%, due unless forgiven on May 1, 2049, secured by 10 rental housing units. At September 30, 2021 and 2020, \$344,792 and \$357,292, respectively, was included in net assets with donor restrictions related to the Note.	500,000
Housing III U.S. Department of HUD, interest rate of 4.125%, due unless forgiven on December 1, 2050, secured by eight rental housing units. At September 30, 2021 and 2020, \$539,510 and \$558,008, respectively, was included in net assets with donor restrictions related to the Note.	739,900
City of Austin passed through AHFC, interest rate of 0%, due unless forgiven on November 30, 2050, secured by eight rental housing units. At September 30, 2021 and 2020, \$360,748 and \$373,116, respectively, was included in net assets with donor restrictions related to the Note.	494,740
Housing IV U.S. Department of HUD, interest rate of 4.125%, due unless forgiven on February 15, 2053, secured by 10 rental housing units. At September 30, 2021 and 2020, \$840,710 and \$867,470, respectively, was included in net assets with donor restrictions related to the Note.	1,070,400
City of Austin passed through AHFC, interest rate of 0%, due unless forgiven on February 28, 2053, secured by 10 rental housing units. At September 30, 2021 and 2020, \$490,805 and \$506,429, respectively, was included in net assets with donor restrictions related to the Note.	<u>624,898</u>
Total	<u>\$ 4,556,538</u>

## The FEDCAP Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

## NOTE 12 - COMMITMENTS AND CONTINGENCIES

FEDCAP has leases for offices, program related facilities, and equipment expiring at various dates through 2032. The approximate future minimum lease commitments under existing operating leases are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 11,941,932
2023	9,121,064
2024	7,999,372
2025	6,482,201
2026	4,194,721
Thereafter	<u>9,437,811</u>
Total commitments and contingencies	<u>\$ 49,177,101</u>

Certain office leases contain renewal and escalation clauses. For leases with escalation clauses, FEDCAP recognized rent expense on a straight-line basis and recognized a deferred rent liability of \$1,136,082 and \$146,665 at September 30, 2021 and 2020, respectively, which is included in other liabilities in the accompanying consolidated statements of financial position. In addition to the base rents, FEDCAP is obligated to pay additional amounts for increased operating costs.

Rent expense was \$15,172,888 and \$11,046,926 for the years ended September 30, 2021 and 2020, respectively.

As of September 30, 2021, FEDCAP has provided for a reserve for lease abandonment costs for its leased property in Staten Island, NY. These costs, amounting to \$2,116,214, consist of the present value of the remaining lease payments, offset by estimated sub-tenant payments. This liability is reflected within other liabilities on the accompanying 2021 consolidated statement of financial position and the corresponding expense is included within occupancy expenses on the accompanying 2021 consolidated statement of functional expenses.

FEDCAP sublets a portion of its facilities to tenants under operating leases that expire at various dates through December 2025. For the years ended September 30, 2021 and 2020, rental income from these subleases was \$1,036,837 and \$1,224,615, respectively. The future minimum sublease rental payments to be received are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 2,174,328
2023	1,848,758
2024	1,458,990
2025	610,846
2026	<u>80,795</u>
Total	<u>\$ 6,173,717</u>

FEDCAP is engaged in various lawsuits incidental to its operations. In the opinion of management, the ultimate outcome of pending litigation will not have a material adverse effect on the consolidated financial position and results of operations of FEDCAP.

## The FEDCAP Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

FEDCAP participates in a number of federal and state programs. These programs require that FEDCAP comply with certain requirements of laws, regulations, contracts, and agreements applicable to the programs in which it participates. All funds expended in connection with government grants and contracts are subject to audit by government agencies. While the ultimate liability, if any, from such audits of government contracts by government agencies is presently not determinable, it should not, in the opinion of management, have a material effect on FEDCAP's financial position or change in net assets. Accordingly, no provision for any such liability that may result has been made in the accompanying consolidated financial statements.

## NOTE 13 - TUITION REVENUE

FEDCAP receives funding for Fedcap Apex Acquisition (d/b/a Apex Technical School) and for the Career Design School from the New York State Education Department, administered by the Bureau of Proprietary School Supervision. Gross tuition income has been included within rehabilitation and vocational programs in the accompanying consolidated statements of activities for the years ended September 30, 2021, and 2020 as follows:

	2021	
	Fedcap Apex Acquisition d/b/a Apex Technical School	Career Design School
Tuition	\$ 20,796,454	\$ 407,697
Less: Book and Tool Sales	(1,642,966)	-
Less: Application and Insurance Fees	(123,060)	-
Subtotal	<u>19,030,428</u>	<u>407,697</u>
Add: Student Refunds and Returns to Federal Family Education Loan Programs included above	859,820	-
Gross Tuition for Tuition Assessment Calculations	<u>\$ 19,890,248</u>	<u>\$ 407,697</u>
		2020
		Career Design School
Tuition		\$ 186,703
Less: Book and Tool Sales		-
Less: Application and Insurance Fees		-
Subtotal		<u>186,703</u>
Add Student Refunds and Returns to Federal Family Education Loan Programs included above		-
Gross Tuition for Tuition Assessment Calculations		<u>\$ 186,703</u>

## The FEDCAP Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

## NOTE 14 - NET ASSETS

Net assets with donor restrictions were restricted for the following purposes as of September 30, 2021 and 2020:

	2021	2020
For use in future periods for:		
Employment and job search programs	\$ 116,391	\$ 116,380
ESCT HUD capital advances	3,299,472	3,413,387
Time restricted - beneficial interest in remainder trust	3,132,036	2,686,453
Time restricted - general	456,065	297,767
	<u>7,003,964</u>	<u>6,513,987</u>
Beneficial interest in perpetual trusts and endowment funds subject to appropriation and satisfaction of donor restrictions	<u>2,400,344</u>	<u>2,072,809</u>
Total	<u>\$ 9,404,308</u>	<u>\$ 8,586,796</u>

Beneficial interest in perpetual trusts and endowment funds are comprised of the following as of September 30, 2021 and 2020:

	2021	2020
Easter Seals - beneficial interest in perpetual trusts	\$ 2,310,181	\$ 1,990,041
ReServe endowment	82,096	75,000
CWS endowment	8,067	7,768
	<u>\$ 2,400,344</u>	<u>\$ 2,072,809</u>

Net assets released from restrictions during the years ended September 30, 2021 and 2020 amounted to \$113,913 each year and related to ESCT HUD capital advances.

## NOTE 15 - RELATED-PARTY TRANSACTIONS

Members of the Board of Directors of FEDCAP are associated with a law firm that has provided legal services to FEDCAP with fees of \$271,364 and \$162,175 during the years ended September 30, 2021 and 2020, respectively.

A CWS Board member is a trustee of the Eaton Fund. CWS leases its facilities from the Eaton Fund. In-kind contributed rent and rent paid to Eaton Fund for each of the years ended September 30, 2021 and 2020 was \$151,667 and \$108,330 respectively.

## NOTE 16 - EMPLOYEE BENEFIT PLANS

Effective January 1, 1991, FEDCAP established a Tax Deferred Annuity Retirement Plan under Section 403(b) of the IRC for employee voluntary salary reduction contributions. Employees are eligible to participate in the plan as of their employment date.

The FEDCAP Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

Effective October 1, 1991, FEDCAP established a Tax Deferred Annuity Retirement Plan under Section 403(b) of the IRC for employees working on government contracts with a defined contribution pension plan based on a contractual formula. Employees are eligible to participate in the plan upon satisfactory completion of a three-month probationary period.

Effective October 1, 1994, FEDCAP established a Defined Contribution Plan under Section 403(b) of the IRC for qualified participants, primarily employees who do not work on contracts. In November 1, 2010, the Defined Contribution Plan was amended to allow all employees to participate in the plan immediately upon hire. FEDCAP matches employee contributions up to 3% of their salaries. Employer matching contributions fully vest after three years of employment.

Plan contributions are invested in one or more of the funding vehicles available to participants under the plans. Each participant is fully and immediately vested in employee contributions. Employer contributions to the plans amounted to \$11,830,831 and \$9,708,598 for the years ended September 30, 2021 and 2020, respectively.

**NOTE 17 - ACQUISITIONS**

On September 18, 2020, Fedcap Apex Acquisition, LLC, executed an asset purchase agreement to acquire substantially all of the assets of Breton International, Inc (a/k/a Apex Technical School). Apex Technical School ("APEX") is an adult vocational technical school and offers seven certificate courses designed to focus on basic trade skills and labor skills for its students. The acquisition purchase price was \$1,851,658, \$100,000 of which was paid upon acquisition, \$100,000 was to be paid over the following four months and a \$1,651,658 note payable to be paid within 18 months of the acquisition. The total consideration given exceeded the net assets acquired by \$200,000 and as such, goodwill in the amount of \$200,000 was recognized. Under the terms of the asset purchase agreement, \$100,000 repayments on the note payable are due by the 15th of the month following any month in which APEX generates positive cash flows from operations.

On May 1, 2021, The Fedcap Group acquired Civic Hall Labs, Inc, a learning, and collaboration platform focused on advanced technology and problem-solving for the public good. The acquisition was predicated on establishing training organizations and platform that will improve access to in-demand technology jobs for all New Yorkers. The acquisition was affected without the transfer of consideration, and as such, a charge of \$695,897 was recognized, which represented the excess of the acquisition date fair values of the liabilities assumed over the acquisition date fair value of the assets acquired.

## The FEDCAP Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

On September 23, 2021, Civic Hall Labs, Inc, acquired New York Tech Alliance (NYTA), an organization that supports the technology community and ecosystems in our hometown, with the goal of creating the most diverse, equitable and accessible tech ecosystems in the world. The acquisition was predicated on aiding and providing access to various technology resources and platforms. The acquisition was affected without the transfer of consideration, and as such, a charge of \$95,284 was recognized, which represented the excess of the acquisition date fair values of the liabilities assumed over the acquisition date fair value of the assets acquired.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition for APEX during the year ended September 30, 2020:

Accounts receivable, net	\$ 2,767,727
Inventories	58,911
Prepaid expenses	209,585
Property and equipment, net	402,358
Accounts payable and accrued liabilities	(503,954)
Deferred revenues	<u>(1,282,969)</u>
<b>Net assets</b>	<b><u>\$ 1,651,658</u></b>

The following table summarizes the estimated fair values of the liabilities assumed and assets acquired at the date of acquisition during the year ended September 30, 2021:

	Civic Hall Labs, Inc	New York Tech Alliance	Total
Cash and cash equivalents	\$ 142,062	\$ 3,101	\$ 145,163
Accounts receivable, net	-	33,862	33,862
Prepaid expenses	3,845	-	3,845
Property and equipment	30,000	-	30,000
Accounts payable and accrued liabilities	(580,509)	(29,500)	(610,009)
Payroll Protection Plan loan	(291,295)	(19,875)	(311,170)
Deferred revenue	-	(82,872)	(82,872)
<b>Net (deficit)</b>	<b><u>\$ (695,897)</u></b>	<b><u>\$ (95,284)</u></b>	<b><u>\$ (791,181)</u></b>

**NOTE 18 - CONCENTRATIONS**

FEDCAP provides building services for federal buildings, which comprised 20% and 23% of total revenues during the years ended September 30, 2021 and 2020 respectively. FEDCAP provides offsite data entry personnel, custodial and other services to various branches of the state and city government through one New York State organization, which comprised 5% and 6% of total revenues during the years ended September 30, 2021 and 2020, respectively.

## The FEDCAP Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

Financial instruments that potentially subject FEDCAP to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation limit. Management does not believe that a significant risk of loss exists due to the failure of a financial institution.

**NOTE 19 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

FEDCAP regularly monitors liquidity required to meet its operating needs and other contractual commitments. FEDCAP has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, and lines of credit. See Note 8 for information about FEDCAP's lines of credit.

For purposes of assessing resources available to meet general expenditures over a 12-month period, FEDCAP considers all expenditures related to its ongoing activities.

In addition to financial assets available to meet general expenditures over the next 12 months, FEDCAP operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

As of September 30, 2021 and 2020, the following tables show the total financial assets held by FEDCAP and the amounts of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures.

Financial assets available to meet general expenditures over the next 12 months:

	<u>2021</u>
Cash and cash equivalents	\$ 42,982,639
Accounts receivable, net	57,363,861
Contributions and grants receivable, net	1,968,683
Investments convertible to cash over the next 12 months	<u>11,004,556</u>
Total financial assets available within the next 12 months	113,319,739
Less amounts unavailable for general expenditure due to:	
Donor-imposed restrictions	(3,871,928)
Minimum liquidity requirement under borrowing arrangements	<u>(10,000,000)</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 99,447,811</u>

## The FEDCAP Group

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

	<u>2020</u>
Cash and cash equivalents	\$ 24,926,770
Accounts receivable, net	56,865,665
Contributions and grants receivable, net	2,131,974
Investments convertible to cash over the next 12 months	<u>9,317,759</u>
Total financial assets available within the next 12 months	93,242,168
Less amounts unavailable for general expenditure due to:	
Donor-imposed restrictions	(3,827,534)
Minimum liquidity requirement under borrowing arrangements	<u>(10,000,000)</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 79,414,634</u>

## NOTE 20 - CARES ACT

As of September 30, 2021 and 2020, FEDCAP's affiliates were granted the following loans, pursuant to the Small Business Administration ("SBA") Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act (the "PPP Loans"):

Affiliate	Balance as of September 30,		Date of Note	Maturity Date
	2021	2020		
	Amount	Amount		
Easter Seals Rhode Island Inc. (ESRI)	\$ 307,757	\$ 307,757	5/7/2020	5/7/2022
Community Workshop Inc' (CWS)	104,255	104,255	4/30/2020	4/30/2022
Wildcat Service Corporation	-	2,438,225	4/10/2020	4/10/2022
Single Stop USA Inc	-	329,967	4/10/2020	4/10/2022
MVLE	-	2,359,900	4/23/2020	4/23/2022
Easter Seals North Texas	1,423,400	1,423,400	4/17/2020	4/17/2022
Easter Seals Central Texas	1,356,335	1,356,335	4/27/2020	4/27/2022
These Our Treasures Inc (TOTS)	-	231,600	5/2/2020	5/2/2022
Easter Seals New York (ESNY)	3,929,615	3,929,615	7/3/2020	7/3/2022
Civic Hall Labs, Inc.	291,295	-	2/26/2021	2/26/2026
MVLE	1,181,155	-	3/26/2021	3/26/2026
Easter Seals North Texas	437,300	-	3/29/2021	3/29/2026
Easter Seals Central Texas	1,037,171	-	3/23/2021	3/23/2026
Easter Seals Rhode Island Inc. (ESRI)	<u>216,658</u>	<u>-</u>	4/8/2021	4/8/2026
	<u>\$ 10,284,941</u>	<u>\$ 12,481,054</u>		

The PPP Loans, which are in the form of notes payable, mature 24 months or 60 months from the date of issuance and bear interest at a rate of 1% per annum. The PPP Loans may be prepaid by FEDCAP at any time prior to maturity with no prepayment penalties. Funds from the PPP Loans may only be used for certain costs, such as payroll costs and occupancy expenses. FEDCAP intends to use the entire loan amounts for qualifying expenses. Under the terms of the PPP, certain amounts of the PPP Loans may be

The FEDCAP Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

forgiven if they are used for qualifying expenses as described in the CARES Act. When FEDCAP is legally released from the debt, or forgiveness is granted, the extinguishment will be recognized into income at that time. During the fiscal year ending September 30, 2021, forgiveness was granted by the SBA for certain of FEDCAP's PPP Loans, amounting to \$5,379,479. This forgiveness has been reflected as gain on Paycheck Protection Program loan forgiveness in the consolidated statement of activities for the year ended September 30, 2021.

The CARES Act also allowed for employers to defer the deposit and payment of the employer share of payroll taxes that would otherwise be due on or after March 27, 2020, and before January 1, 2021. FEDCAP elected to defer payment of payroll taxes under this arrangement. These deferred payroll taxes are payable in two equal installments on December 31, 2021 and December 31, 2022. As of September 30, 2021 and 2020, FEDCAP has recorded \$3,628,007 and \$2,098,963, respectively, of deferred payroll taxes, which is reflected within accounts payable and accrued liabilities and other liabilities on the accompanying consolidated statement of financial position.

**NOTE 21 - COVID-19**

In March 2020, the World Health Organization officially declared COVID-19, a disease caused by the novel coronavirus, a pandemic. This caused many local and national governments, including New York State, to impose restrictions on business operations, travel and public gatherings. The outbreak has adversely impacted the level of economic activity around the world and disrupted normal business activity in every sector of the economy.

As a result of the pandemic, in mid-March 2020, FEDCAP moved certain programs to virtual program services for the remainder of the fiscal year. In order to mitigate the impact of the pandemic, for fiscal year 2021, FEDCAP continues to offer some programs virtually while shifting to in-person programs for others. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. External factors, including the duration and intensity of the pandemic, the shape of the economic recovery and its impact on potential government funding, as well as timing and widespread adoption of vaccines, could have a material impact on FEDCAP's future operating and programmatic results. The extent to which COVID-19 may impact FEDCAP's financial position, changes in net assets and cash flows is uncertain and the accompanying consolidated financial statements include no adjustments relating to the effects of this pandemic.

**NOTE 22 - SUBSEQUENT EVENTS**

FEDCAP evaluated its September 30, 2021 consolidated financial statements for subsequent events through February 2, 2022, the date the consolidated financial statements were available for issuance. FEDCAP is unaware of any events which would require recognition or disclosure in the accompanying consolidated financial statements.

On November 23, 2021, FEDCAP entered into a combination agreement with Paul Smith's College to become its sole member. This combination was predicated on the synergies of mission and our ability to provide enhanced education and training opportunities for the individuals we serve. The combination is subject to regulatory approval.

**SUPPLEMENTAL INFORMATION**







## **BOARD OF DIRECTORS**

*William Rider, Interim Chairman*

*Board Date 2009*



*Profession: CEO/President-Greater Manchester Mental Health*

*Lynne Westaway, Treasurer*

*Board Date 8/1/2007*



*Profession: CPA/Partner-WIPFLI*

*Nick Brattan*

*Board Date 6/13/2018*



*Profession: President – NE DocumentSystems Inc.*

*James Sweeney PhD*

*Board Date 10/1/2020*



*Profession: PhD, Counseling*

*Peter Burke*

*Board Date 4/1/21*



*Profession: Community Education Manager @ St. Joseph Hospital*

*5/2021*

# Erica Gesen Ungarelli

*Human Services Leader in Child Welfare and Behavioral Health*

## **Human Services Leadership and Management**

Successful Human Services Leader with 20 years of leadership experience. Responsibilities include system and program development and sustainability, management of programs and budgets ranging between 3-64 million dollars. Broad knowledge of the Medicaid system. Leadership style embraces the System of Care values and principles in both program development and in organizational culture and climate. Experience in Child Welfare and Children's Behavioral Health. Additional notable experience in the following areas;

### **Management**

- Provides Direction and vision for organizational development
  - Recruitment and retention strategies
  - Positive Culture and Climate
  - Program development, contract development and implementation
  - Oversight of contracts, programs, and provider networks

### **Strategic planning, Program Development**

Developed programming to assist children and families involved in Child Welfare including:

- Strength To Succeed and other intensive in-home services.
- Led large systems reform for children's service, NH System of Care for Children's Behavioral Health inclusive of program development, finance and long-term sustainability and scaling up the programming to address continued growing needs.
- Developed NH's infant Mental Health plan, to include program development for integrated and comprehensive supports for at risk young children and families.
- Development of strategic plans— notable examples: 10-year mental health plan, Children's system of care annual reports with recommendations and child welfare practice model development.
  - Analyzing data to identify areas for improvement and expansion
  - Development of goals and activities for strategic plan
  - Development of finance strategies, budget, and rates
  - Assess progress towards goals through process measures and qualitative data
  - Management of organization and program budgets
  - Assessment of federal and state statutes
  - Analyzing, drafting, and editing legislation, policy, and fiscal impact statements.
  - Develop, draft; and implement finance strategies for sustainability through Medicaid reimbursement.

### **Facilitation and presenting**

- Facilitation of both large and small work groups.
- Facilitation of large group stakeholder groups
- Presentations to small and large group, local and national.
- Testifies to legislative policy and budget committees.

## CAREER PROGRESSION

### Leadership and Management: 2006- Present

#### 2021-Present: Granite Pathways, Executive Director

- Daily operations of organization, finance, Liaison to Board of directors and parent company,
- Set strategic priorities for the organization.

#### 2016- 2021: Division for Behavioral Health, Director, Bureau for Children's Behavioral Health

- Set strategic priorities and plan for development for children's services.
- Provides cross departmental consultation for child programming.
- Develop and manage budgets for the Bureau
- Provided Leadership and Bureau vision and priorities for all Bureau staff.
- Directly manages bureau administrators
- Program development, implementation, financing, and oversight
- Contract development, writing and monitoring

#### 2002-2016: Division for Children, Youth and Families Bureau for Child Wellbeing and DCYF Fiscal Unit

Managed multiple program areas for child welfare and juvenile Justice to include;

- Foster Care Health
- Federal Grant administration and oversight
- Community based services development
- Finance
- Parent Partner program
- Policy and rule development and writing
- Budget development and management
- Provider relations
- Medicaid liaison
- Lead for Cost containment Workgroup to ensure cost containment initiatives are met
- Authorization for Child specific specialized services
- Negotiate rates and funding for child specific services
- Conducts cost analysis for new child specific services
- Participated as team member during Federal audits and State case reviews
- DCYF Lead representative for the Medicaid Advisory Committee
- Development of the NH DCYF SafeRX program; Coauthor of the article, *Psychotropic medications in child*

*welfare: from federal mandate to direct care.*

<https://www.sciencedirect.com/science/article/abs/pii/S019074091630127X#:~:text=Psychotropic%20medications%20in%20child%20welfare%3A%20From%20federal%20mandate%20to%20direct%20care>

### Supervisory and Field Experience

1992-1996: Field worker for Elderly and Adult Services

1996-2002 CPSW for DCYF Central Intake

2001-2002 Assistant Supervisor for DCYF Central Intake

**Education:** Wittenberg University, BA earned in 1992 in Sociology.

# BRIAN LEMIRE

## PERSONAL SUMMARY

Enthusiastic, accomplished, and motivated graduate passionate in supporting individuals with substance use disorder.

## EDUCATION

**Southern New Hampshire University – Manchester, NH**

**Bachelor of Science: Business Mgmt. /Admin**

- Graduated Magna Cum Laude (3.5+ G.P.A.)

**New Hampshire Technical Institute – Concord, NH**

- **Associate of Science: Real Estate**

**G.E.D. - Manchester, NH**

**Central High School – Manchester, NH**

**CCAR Recovery Coach Academy**

**Suicide Prevention Training**

**Ethics Training**

**HIV Training**

## SKILLS

- Complex problem solving
- Client service focused
- Professional phone etiquette
- Excellent planner and coordinator
- Attention to detail
- Proficient in Microsoft Word, Excel, and PowerPoint
- Works well under pressure
- Exceptional oral and written communication

## WORK HISTORY

**Operations Manager, 10/1/21 to Present**

**Granite Pathways – Strength to Succeed- Manchester, NH**

- Assist director and support staff in day-to-day operations
- Support in advanced special projects
- Prepare and take notes for quarterly BOD
- New hire orientation and onboarding
- Administrative support for RFP submissions
- Oversee IT applications and training
- Billing oversight for medical and contract billing

**Program Coordinator, 8/5/2019 to 10/1/21**

**Granite Pathways – Strength to Succeed- Manchester, NH**

- Assist manager and support staff in day-to-day operations
- Oversee IT applications and trainings
- Billing oversight

**Kitchen Supervisor, 3/2016 to 11/2018**

**Salona Bar and Grill- Manchester, NH**

- Managed kitchen staff and coordinated food preparations
- Helped resolve customer complaints
- Assisted in placing weekly food and beverage orders
- Maintained sanitation and safety standards
- Trained new employees

**Assistant Property Manager, 6/1/2009 to 2/13/15**

**Carisbrooke at Manchester – Manchester, NH**

- Managed a community of 100+ apartment units
- Carefully screened applicants for tenancy
- Communicated effectively with owners, residents, and on-site associates
- Followed up on delinquent tenants and helped coordinate collection procedures
- Monitored the timely receipt and reconciliation of rent collections in accordance with proprietor and resident statutes
- Scheduled and coordinated contractors for janitorial and maintenance issues

**Lori A. Hebert**  
**Lhebert@granitepathways.org**

---

**Professional Qualifications**

- Over 15 years of process and customer management combined with an extensive background in private and government contracting development and operations
- 2 years of civic engagement and advising within Child Welfare

**Volunteer Experience**

**Nashua School District 2015-2020**

*Volunteer*

- PTO Board member
- Member of Leadership and Family Engagement teams
- Member of interview panel for hiring new staff

**Nashua Department of Education**

*Strategic Planning Committee Member 2018/2019*

- Survey development and input from a parent's perspective
- Mission statement development
- Five-year strategic plan development

**Civic Engagement and Advising Experience**

**NH Department of Health and Human services**

**Division for Children Youth and Families**

**2015-2017**

*Parent Leader – Practice Advisor*

- Serves as an advisor to the field and the Division's leadership in matters of family engagement
- As a training partner, attends Core Academy Better Together Workshops helping train DCYF staff and foster parents on how to partner with birth parents to improve child welfare outcomes
- Attends bi-monthly Statewide Steering Committee Meetings providing oversight and leadership to the Parent Partner Program, a program that promotes parents as leaders within Child Welfare
- Provides coaching and support to parents new to the system through the peer to peer support model to improve reunification outcomes and the lives of children in New Hampshire

**Professional Work History**

**Granite Pathways**

**2018-Present**

*Program Director, Strength to Succeed*

- Program development for peer support services for families involved within the Division for Child Youth and Families
- Supervise staff including hiring, training/development, managing CRSW (certified recovery support worker) certifications and performance
- Monthly DCYF staff outreach and meeting attendance
- Community collaborations to include location and social determinant services for program participants

- Ongoing development of participant Medicaid building and expansion opportunities for the program
- Monthly and quarterly data reporting on measurables and deliverables

**Department of Health and Human Services  
Division of Health and Human Services (DCYF)**

**2017-2018**

*Parent Consultant*

- Statewide consultation to DCYF within development of internal policies and statewide programs
- Parent Leader recruitment and development
- Participate in planning, testing, evaluation and measurable for new program implementations
- Monthly reporting on measurable and deliverables

**Sunnyside Acura  
Concierge**

**2017-2018**

- Front of the house position, face of the dealership in accordance with Honda/Acura standards
- Answering, screening and transferring all phone calls to the dealership
- Administrative work supporting sales, service and accounting departments

**Cityside Management Corporation, Manchester NH**

**2004-2013**

*Project Manager*

- Government contract bidding process including requests for proposal completions and negotiations
- Development and start up of Housing and Urban Development (HUD) Asset Manager contracts throughout the United States
- HUD program administration and management in accordance with housing regulations and scope of service compliance
- Supervise large staff, including hiring, training/development, employment reviews
- Training and seminar hosting for regional listing brokers
- IT support in developing Asset Management software package
- Manage and coordinate negotiations with HUD Contractors including the Mortgage Compliance Managers and Field Service Manager
- Extensive knowledge with reviewing and implementing government housing regulations
- Member of senior leadership team

*Contract Manager*

- Manage New England Management and Marketing HUD contract
- Manage Property Management, Real Estate and Mortgagee Compliance companies

Education

Keene State College

**Granite Pathways**

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Erica Ungarelli	Executive Director	\$110,000	10	\$11,000
Brian Lemire	Operations Manager	\$58,800	10	\$5,880
Lori Hebert	Program Director	\$73,500	10	\$7,350
TBD	Community Navigator	\$46,000	100	\$46,000
TBD	Community Navigator	\$46,000	Up to 40	\$18,400 *
TBD	Community Navigator	\$46,000	Up to 40	\$18,400 *

**\*As needed based on volume**