



Lori A. Weaver
Commissioner

Katja S. Fox
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH

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January 30, 2024

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 Behavioral Health, to enter into a **Sole Source** contract with Waypoint (VC # 177166), Manchester, NH, in the amount of \$500,000 to provide a Young Adult Shelter and Drop-In Resource Center program for young adults 18 to 24 years of age who are experiencing homelessness, with the option to renew for up to two (2) additional years, effective upon Governor and Council approval through June 30, 2025. 100% General Funds.

Funds are available in the following account for State Fiscal Years 2024 and 2025, 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.

05-95-92-921010-20530000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF CHILDRENS BEHVIORAL HEALTH, SYSTEM OF CARE

State Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2024	102-500731	Contracts for Prog Svc	42307020	\$100,000
2025	102-500731	Contracts for Prog Svc	42307020	\$400,000
			Total	\$500,000

EXPLANATION

This request is **Sole Source** because the Contractor is the only contractor able to provide the temporary shelter services to young adults. The Contractor has been providing young adult shelter services in the Greater Manchester Area for more than a year. Therefore the Contractor is uniquely qualified to continue providing the services for young adults who are in a time of transition that pose challenges as they move from adolescence to adulthood.

The purpose of this request is for the Contractor to provide a co-located drop-in center and 14-bed shelter program in Manchester, for young adults 18 to 24 years of age who are experiencing homelessness in the Greater Manchester Area. The Young Adult Shelter and Drop-In-Resource program will provide a safe, sanitary, and welcoming environment with trauma-informed services. In addition, the program will align with the NH System of Care values and the Housing First approach.

Approximately 160 individuals will be served annually.

The Contractor must ensure the 14-bed temporary shelter equally supports nightly and extended stays to meet the basic needs of young adults who have no other housing options and would otherwise be without a place to sleep. The young adult shelter program will include seven (7) beds designated as nightly beds, and seven (7) beds designated as extended beds for up to two (2) weeks for young adults working on goals and case management.

The Contractor will ensure the facility complies with the Americans with Disabilities Act, and is operated in accordance with New Hampshire State laws and regulations. The shelter for young adults' hours of operation will be from 7:00 pm to 7:00 am. The Drop-in Resource Center hours of operations will be Tuesday through Sunday, 10:00 am to 7:00 pm, and Mondays by appointment only.

The Department will monitor contracted services through monthly data and key metric reports, which will include:

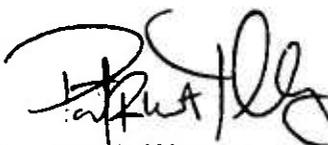
- The length of time young adults remain homeless.
- The number of young adults who exit homelessness to permanent housing destinations who return to homelessness.
- The number of young adults who successfully exit homelessness to permanent housing destinations.

As referenced in Exhibit A, Revisions to Standard Agreement Provisions, of the attached agreement, the parties have the option to extend the agreement for up 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, young adults in the Greater Manchester Area who are experiencing homelessness may not have access to safe and sanitary temporary shelter services where they will also have access to trauma-informed services during a time of transition from adolescence to adulthood.

Area served: Greater Manchester Area.

Respectfully submitted,


Lori A. Weaver
Commissioner

Subject: Young Adult Shelter and Drop-In Resource Center (SS-2024-DBH-34-YOUNG-01)

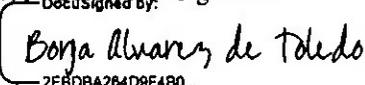
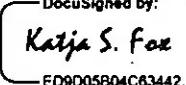
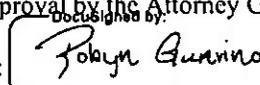
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

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 Waypoint		1.4 Contractor Address 464 Chestnut St., PO Box 448, Manchester, NH	
1.5 Contractor Phone Number 603-518-4300	1.6 Account Unit and Class 05-095-092-921010-20530000	1.7 Completion Date June 30, 2025	1.8 Price Limitation \$500,000
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature <small>DocuSigned by:</small>  2E6DBA264D9F480...		1.12 Name and Title of Contractor Signatory Borja Alvarez de Toledo president and CEO	
1.13 State Agency Signature <small>DocuSigned by:</small>  ED9D05804C63442...		1.14 Name and Title of State Agency Signatory Katja S. Fox 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) <small>DocuSigned by:</small> By:  On: 2/1/2024 748734844941460...			
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, 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.

3.3 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. 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 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, 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 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. 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.

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 The State's liability under this Agreement shall be limited to monetary damages not to exceed the total fees paid. The Contractor agrees that it has an adequate remedy at law for any breach of this Agreement by the State and hereby waives any right to specific performance or other equitable remedies against the State.

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 and the Governor's order on Respect and Civility in the Workplace, Executive order 2020-01. 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 age, sex, sexual orientation, race, color, marital status, physical or mental disability, religious creed, national origin, gender identity, or gender expression, and will take affirmative action to prevent such discrimination, unless exempt by state or federal law. The Contractor shall ensure any subcontractors comply with these nondiscrimination requirements.

6.3 No payments or transfers of value by Contractor or its representatives in connection with this Agreement have or shall be made which have the purpose or effect of public or commercial bribery, or acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business.

6.4. 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 this Agreement and all rules, regulations and orders pertaining to 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 The Contracting Officer specified in block 1.9, or any successor, shall be the State's point of contact pertaining to this Agreement.

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) calendar days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) calendar 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.

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) calendar 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) calendar 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. In addition, at the State's discretion, the Contractor shall, within fifteen (15) calendar days of notice of early termination, develop and submit to the State a transition plan for Services under the Agreement.

10. PROPERTY OWNERSHIP/DISCLOSURE.

10.1 As used in this Agreement, the word "Property" shall mean all data, 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 Disclosure of data, information and other records shall be governed by N.H. RSA chapter 91-A and/or other applicable law. Disclosure 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 Contractor shall provide the State written notice at least fifteen (15) calendar days before any proposed assignment, delegation, or other transfer of any interest in this Agreement. No such assignment, delegation, or other transfer shall be effective without the written consent of the State.

12.2 For purposes of paragraph 12, 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.

12.3 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State.

12.4 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. The Contractor shall indemnify, defend, and hold harmless the State, its officers, and employees from and against all actions, claims, damages, demands, judgments, fines, liabilities, losses, and other expenses, including, without limitation, reasonable attorneys' fees, arising out of or relating to this Agreement directly or indirectly arising from death, personal injury, property damage, intellectual property infringement, or other claims asserted against the State, its officers, or employees caused by the acts or omissions of negligence, reckless or willful misconduct, or fraud by the Contractor, its employees, agents, or subcontractors. 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 State's sovereign immunity, 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 any successor, a certificate(s) of insurance for all insurance required under this Agreement. At the request of the Contracting Officer, or any successor, the Contractor shall provide certificate(s) of insurance for all renewal(s) of insurance required under this Agreement. 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 any successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. A State's failure to enforce its rights with respect to any single or continuing breach of this Agreement shall not act as a waiver of the right of the State to later enforce any such rights or to enforce any other or any subsequent breach.

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

19. CHOICE OF LAW AND FORUM.

19.1 This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire except where the Federal supremacy clause requires otherwise. 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.

19.2 Any actions arising out of this Agreement, including the breach or alleged breach thereof, may not be submitted to binding arbitration, but must, instead, be brought and maintained in the Merrimack County Superior Court of New Hampshire which shall have exclusive jurisdiction thereof.

20. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and any other portion of this Agreement including any attachments thereto, the terms of the P-37 (as modified in EXHIBIT A) shall control.

21. THIRD PARTIES. This Agreement is being entered into for the sole benefit of the parties hereto, and nothing herein, express or implied, is intended to or will confer any legal or equitable right, benefit, or remedy of any nature upon any other person.

22. 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.

23. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

24. FURTHER ASSURANCES. The Contractor, along with its agents and affiliates, shall, at its own cost and expense, execute any additional documents and take such further actions as may be reasonably required to carry out the provisions of this Agreement and give effect to the transactions contemplated hereby.

25. 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.

26. 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.

Contractor Initials 
Date 1/30/2024

**New Hampshire Department of Health and Human Services
Young Adult Shelter and Drop-In Resource Center**

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 deleting subparagraph 3.3 in its entirety and replacing it as follows:

3.3. Contractor must complete all Services by the Completion Date specified in block 1.7. 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 12.5 as follows:

12.5. 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 subcontractor performance.

**New Hampshire Department of Health and Human Services
Young Adult Shelter and Drop-In Resource Center
EXHIBIT B**

Scope of Services

1. Statement of Work

- 1.1. The Contractor must operate a co-located drop-in center and 14-bed temporary shelter at 298 Hanover Street in Manchester, NH, for young adults 18 to 24 years of age who are experiencing homelessness or at risk of homelessness. The Young Adult Shelter and Drop-In-Resource programs must include:
 - 1.1.1. A safe, sanitary, and welcoming environment;
 - 1.1.2. Trauma-informed services;
 - 1.1.3. Alignment with the NH System of Care values; and
 - 1.1.4. Alignment with the Housing First approach.
- 1.2. The Contractor must ensure the Young Adult Shelter and Drop-In Resource programs are available in the Greater Manchester Area to the population identified in 1.1 above.
- 1.3. The Contractor must ensure the following hours of operation:
 - 1.3.1. Shelter: 7pm – 7am EST;
 - 1.3.2. Drop-in Resource Center: Tuesday through Sunday, 10am – 7pm EST; Mondays by appointment only;
- 1.4. The Contractor must ensure shelter services follow the housing first model. All beds are no-barrier to entry. The Contractor cannot:
 - 1.4.1. Deny access to a bed or services for any reason including mental health and or substance use unless youth is exhibiting violent or threatening behavior and poses a risk to others at the shelter; or
 - 1.4.2. Require young adults to engage in case management services, recovery, or sobriety.
- 1.5. The Contractor must ensure the facility is ADA compliant/accessible and operated in accordance with Section 3.4, Operation of Facilities: Compliance with Laws and Regulations, and must include, at a minimum:
 - 1.5.1. A drop-in resource center, located on the 1st level, equipped with:
 - 1.5.1.1. Bathrooms;
 - 1.5.1.2. Clothes washer and dryer;
 - 1.5.1.3. Showers;
 - 1.5.1.4. A food pantry;
 - 1.5.1.5. Clothing closet; and
 - 1.5.1.6. Access to computers and the Internet.

**New Hampshire Department of Health and Human Services
Young Adult Shelter and Drop-In Resource Center**

EXHIBIT B

- 1.5.2. A temporary shelter for young adults, located on the lower level, equipped with:
 - 1.5.2.1. A small lounge;
 - 1.5.2.2. Bathrooms;
 - 1.5.2.3. Clothes washer and dryer;
 - 1.5.2.4. Security system.
 - 1.5.2.5. Heating and cooling equipment.
 - 1.5.2.6. Utilities and furnishings.
- 1.6. The Contractor must ensure timely and proper building maintenance and repair of the facility.
- 1.7. The Contractor must ensure the 14-bed temporary shelter equally supports nightly and extended stays to meet the basic needs of young adults who have no other housing options and would otherwise be without a place to sleep. The young adult shelter program must include:
 - 1.7.1. Seven (7) beds designated as nightly beds;
 - 1.7.2. Seven (7) beds designated as extended beds for up to two (2) weeks for young adults working on goals and case management;
 - 1.7.3. Beds that are oriented in pods with separation between them and each equipped with:
 - 1.7.3.1. Nightstand;
 - 1.7.3.2. Outlet; and
 - 1.7.3.3. Locker.
- 1.8. The Contractor must ensure young adults are selected for temporary shelter services through a randomized generator for both nightly and extended beds.
- 1.9. The Contractor must ensure all young adults who stay in the shelter:
 - 1.9.1. Meet with a shelter navigator to complete a Needs Assessment and a Coordinated Entry Assessment.
 - 1.9.2. Have access to basic needs including, but not limited to:
 - 1.9.2.1. Clothes washer and dryer.
 - 1.9.2.2. Showers.
 - 1.9.2.3. Bedding.
 - 1.9.2.4. Clothing, including pajamas.
 - 1.9.2.5. Personal hygiene products including, but not limited to, a towel and shampoo.

**New Hampshire Department of Health and Human Services
Young Adult Shelter and Drop-In Resource Center
EXHIBIT B**

- 1.9.3. Be provided with dinner and breakfast.
- 1.9.4. Be linked to the Drop-In Resource Center program for additional services as supports.
- 1.10. The Contractor must ensure all young adults who access the shelter and drop-in resource center have access to a case manager who can provide intensive case management services designed to assist the young adults in obtaining permanent housing. Case Management Services must include, at a minimum:
 - 1.10.1. Developing individual goal plans;
 - 1.10.2. Signing up for public benefits;
 - 1.10.3. Completing housing applications;
 - 1.10.4. Accessing resources;
 - 1.10.5. Creating plans around safety and wellbeing; and
 - 1.10.6. Developing independent life skills.
- 1.11. Administrative Requirements:
 - 1.11.1. The Contractor must participate in the State of New Hampshire's Coordinated Entry Program, and participate in the Coordinated Entry Case Conferencing Meeting every month to ensure young adults have the proper supports in place and are placed in appropriate housing assistance programs in which they are eligible for.
 - 1.11.2. The Contractor must ensure the continuity of services' essential functions in the event of a disruption of normal operations due to emergency situations.
 - 1.11.3. The Contractor must participate in meetings with the Department upon request or as otherwise specified by the Department.
 - 1.11.4. The Contractor may be required to participate in on-site reviews conducted by the Department as requested by the Department.
 - 1.11.5. The Contractor may be required to facilitate reviews of files conducted by the Department as requested by the Department.
- 1.12. Reporting
 - 1.12.1. The Contractor must submit monthly reports to the Department that include, but are not limited to:
 - 1.12.1.1. Homeless Management Information Systems (HMIS) CAPER report showing number of young adults served each month and cumulative number of young adults served.
 - 1.12.1.2. Updated available/empty bed count.

**New Hampshire Department of Health and Human Services
Young Adult Shelter and Drop-In Resource Center**

EXHIBIT B

- 1.12.2. The Contractor must provide key data in a format and at a frequency specified by the Department for the following performance measures:
 - 1.12.2.1. The data entered in HMIS ensures that young adults are receiving the assistance needed to meet their goals.
 - 1.12.2.2. The length of time young adults remain homeless.
 - 1.12.2.3. The number of young adults who exit homelessness to permanent housing destinations who return to homelessness.
 - 1.12.2.4. The number of young adults who successfully exit homelessness to permanent housing destinations.
- 1.12.3. The Contractor may be required to provide other data and metrics to the Department as requested by the Department.
- 1.13. Background Checks
 - 1.13.1. Prior to permitting any individual to provide services under this Agreement, the Contractor must ensure that said individual has undergone:
 - 1.13.1.1. A criminal background check, at the Contractor's expense, and has no convictions for crimes that represent evidence of behavior that could endanger individuals served under this Agreement;
 - 1.13.1.2. A name search of the Department's Bureau of Elderly and Adult Services (BEAS) State Registry, pursuant to RSA 161-F:49, with results indicating no evidence of behavior that could endanger individuals served under this Agreement; and
 - 1.13.1.3. A name search of the Department's Division for Children, Youth and Families (DCYF) Central Registry pursuant to RSA 169-C:35, with results indicating no evidence of behavior that could endanger individuals served under this Agreement.
- 1.14. Confidential Data
 - 1.14.1. The Contractor must meet all information security and privacy requirements as set by the Department and in accordance with the Department's Information Security Requirements Exhibit as referenced below.
 - 1.14.2. The Contractor must ensure any individuals involved in delivering services through this Agreement contract sign an attestation agreeing to access, view, store, and discuss Confidential Data in accordance

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**New Hampshire Department of Health and Human Services
Young Adult Shelter and Drop-In Resource Center
EXHIBIT B**

with federal and state laws and regulations and the Department's Information Security Requirements Exhibit. The Contractor must ensure said individuals have a justifiable business need to access confidential data. The Contractor must provide attestations upon Department request.

1.15. Privacy Impact Assessment

1.15.1. Upon request, the Contractor must allow and assist the Department in conducting a Privacy Impact Assessment (PIA) of its system(s)/application(s)/web portal(s)/website(s) or Department system(s)/application(s)/web portal(s)/website(s) hosted by the Contractor, 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:

1.15.1.1. How PII is gathered and stored;

1.15.1.2. Who will have access to PII;

1.15.1.3. How PII will be used in the system;

1.15.1.4. How individual consent will be achieved and revoked; and

1.15.1.5. Privacy practices.

1.15.2. 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.

1.16. Contract End-of-Life Transition Services

1.16.1. General Requirements

1.16.1.1. 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 Contractor engaged by the Department to assume the Services previously performed by the Contractor for this section the new Contractor shall be known as "Recipient"). Ninety (90) days prior to the end-of the contract 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.

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- 1.16.1.2. The Contractor must use reasonable efforts to assist the Recipient, in connection with the transition from the performance of Services by the Contractor and its End Users 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 infrastructure ("Internal IT Systems") of 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.
- 1.16.1.3. If a system, database, hardware, software, and/or software licenses (Tools) was purchased or created to manage, track, and/or store Department Data in relationship to this contract said Tools will be inventoried and returned to the Department, along with the inventory document, once transition of Department Data is complete.
- 1.16.1.4. The internal planning of the Transition Services by the Contractor and its End Users shall be provided to the Department and if applicable the Recipient in a timely manner. Any such Transition Services shall be deemed to be Services for purposes of this Agreement.
- 1.16.1.5. Should the data Transition extend beyond the end of the Agreement, the Contractor agrees that the Information Security Requirements, and if applicable, the Department's Business Associate Agreement terms and conditions remain in effect until the Data Transition is accepted as complete by the Department.
- 1.16.1.6. In the event where the Contractor has comingled Department Data and the destruction or Transition of said data is not feasible, the Department and Contractor will jointly evaluate regulatory and professional standards for retention requirements prior to destruction, refer to the terms and conditions of the Department's DHHS Information Security Requirements Exhibit.

1.16.2. Completion of Transition Services

- 1.16.2.1. Each service or Transition phase shall be deemed completed (and the Transition process finalized) at the end

**New Hampshire Department of Health and Human Services
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EXHIBIT B

of 15 business days after the product, resulting from the Service, is delivered to the Department and/or the Recipient in accordance with the mutually agreed upon Transition plan, unless within said 15 business day term the Contractor notifies the Department of an issue requiring additional time to complete said product.

1.16.2.2. Once all parties agree the data has been migrated the Contractor will have 30 days to destroy the data per the terms and conditions of the Department's Information Security Requirements Exhibit.

1.16.3. Disagreement over Transition Services Results

1.16.3.1. In the event the Department is not satisfied with the results of the Transition Service, the Department shall notify the Contractor, in writing, stating the reason for the lack of satisfaction within 15 business days of the final product or at any time during the data Transition process. The Parties shall discuss the actions to be taken to resolve the disagreement or issue. If an agreement is not reached, at any time the Department shall be entitled to initiate actions in accordance with the Agreement.

1.17. State of New Hampshire's Website Copyright

1.17.1. All right, title and interest in the State WWW site, including copyright to all Data and information, shall remain with the State of New Hampshire. The State of New Hampshire shall also retain all right, title and interest in any user interfaces and computer instructions embedded within the WWW pages. All WWW pages and any other Data or information shall, where applicable, display the State of New Hampshire's copyright.

2. Exhibits Incorporated

2.1. The Contractor must manage all confidential data related to this Agreement in accordance with the terms of Exhibit D, DHHS Information Security Requirements.

2.2. 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 E, Business Associate Agreement, which has been executed by the parties.

3. Additional Terms

3.1. Impacts Resulting from Court Orders or Legislative Changes

**New Hampshire Department of Health and Human Services
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EXHIBIT B

- 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 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.
- 3.4. Operation of Facilities: Compliance with Laws and Regulations

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EXHIBIT B**

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

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, and 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

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EXHIBIT B**

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

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New Hampshire Department of Health and Human Services
Young Adult Shelter and Drop-In Resource Center

EXHIBIT C

Payment Terms

1. This Agreement is funded by 100% General Funds.
2. For the purposes of this Agreement the Department has identified the Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
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 Exhibit C-1 Budget and Exhibit C-2 Budget.
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 bhhsfinance@dhhs.nh.gov or mailed to:

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

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EXHIBIT C

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 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.
 - 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 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.
 - 8.4. Any Contractor that receives an amount equal to or greater than \$250,000 from the Department during a single fiscal year, regardless of the funding source, may be required, at a minimum, to submit annual financial audits performed by an independent CPA if the Department's risk assessment determination indicates the Contractor is high-risk.
 - 8.5. 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

**New Hampshire Department of Health and Human Services
Young Adult Shelter and Drop-In Resource Center**

EXHIBIT C

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.

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Exhibit C-1 Budget

New Hampshire Department of Health and Human Services			
Contractor Name: Waypoint			
Budget Request for: Young Adult Shelter and Drop-In Resource Center			
Budget Period: 3/13/24 - 6/30/24			
Indirect Cost Rate (if applicable): 0.174			
Line Item	Program Cost - Funded by DHHS		
1. Salary & Wages	\$53,417		
2. Fringe Benefits	\$16,362		
3. Consultants	\$0		
4. Equipment Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	\$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	\$0		
6. Travel	\$0		
7. Software	\$0		
8. (a) Other - Marketing/ Communications	\$0		
8. (b) Other - Education and Training	\$0		
8. (c) Other - Other (specify below)	\$0		
Other (please specify)	\$15,400		
Other (please specify)	\$0		
Other (please specify)	\$0		
Other (please specify)	\$0		
9. Subrecipient Contracts	\$0		
Total Direct Costs	\$85,179		
Total Indirect Costs	\$14,821		
TOTAL	\$100,000		

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Exhibit C-2 Budget

New Hampshire Department of Health and Human Services	
Contractor Name:	Waypoint
Budget Request for:	Young Adult Shelter and Drop-In Resource Center
Budget Period	7/1/24 - 6/30/25
Indirect Cost Rate (if applicable)	0.174
Line Item	Program Cost - Funded by DHHS
1. Salary & Wages	\$213,668
2. Fringe Benefits	\$65,450
3. Consultants	\$0
4. Equipment Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	\$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	\$0
6. Travel	\$0
7. Software	\$0
8. (a) Other - Marketing/ Communications	\$0
8. (b) Other - Education and Training	\$0
8. (c) Other - Other (specify below)	\$0
Other (please specify)	\$55,518
Other (please specify)	\$6,080
Other (please specify)	\$0
Other (please specify)	\$0
9. Subrecipient Contracts	\$0
Total Direct Costs	\$340,716
Total Indirect Costs	\$59,284
TOTAL	\$400,000

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New Hampshire Department of Health and Human Services

Exhibit D

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

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Exhibit D

DHHS Information Security Requirements

or misplacement of hardcopy documents, and misrouting of physical or electronic mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

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

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

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

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Exhibit D

DHHS Information Security Requirements

2. The Contractor must not disclose any Confidential Information in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.
3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

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

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Exhibit D

DHHS Information Security Requirements

8. Open Wireless Networks. End User may not transmit Confidential Data via an open wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.
9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

A. Retention

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

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DHHS Information Security Requirements

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.).

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New Hampshire Department of Health and Human Services

Exhibit D

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

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New Hampshire Department of Health and Human Services

Exhibit D

DHHS Information Security Requirements

future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

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

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New Hampshire Department of Health and Human Services

Exhibit D

DHHS Information Security Requirements

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

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

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

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

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;

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New Hampshire Department of Health and Human Services

Exhibit D

DHHS Information Security Requirements

4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

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

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov B.

DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov



New Hampshire Department of Health and Human

Exhibit E

BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement (Form P-37) ("Agreement"), and any of its agents who receive use or have access to protected health information (PHI), as defined herein, shall be referred to as the "Business Associate." The State of New Hampshire, Department of Health and Human Services, "Department" shall be referred to as the "Covered Entity." The Contractor and the Department are collectively referred to as "the parties."

The parties agree, to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191, the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162, and 164 (HIPAA), provisions of the HITECH Act, Title XIII, Subtitle D, Parts 1&2 of the American Recovery and Reinvestment Act of 2009, 42 USC 17934, et sec., applicable to business associates, and as applicable, to be bound by the provisions of the Confidentiality of Substance Use Disorder Patient Records, 42 USC s. 290 dd-2, 42 CFR Part 2, (Part 2), as any of these laws and regulations may be amended from time to time.

(1) Definitions

- a. The following terms shall have the same meaning as defined in HIPAA, the HITECH Act, and Part 2, as they may be amended from time to time:
 - "Breach," "Designated Record Set," "Data Aggregation," Designated Record Set," "Health Care Operations," "HITECH Act," "Individual," "Privacy Rule," "Required by law," "Security Rule," and "Secretary."
- b. Business Associate Agreement, (BAA) means the Business Associate Agreement that includes privacy and confidentiality requirements of the Business Associate working with PHI and as applicable, Part 2 record(s) on behalf of the Covered Entity under the Agreement.
- c. "Constructively Identifiable," means there is a reasonable basis to believe that the information could be used, alone or in combination with other reasonably available information, by an anticipated recipient to identify an individual who is a subject of the information.
- d. "Protected Health Information" ("PHI") as used in the Agreement and the BAA, means protected health information defined in HIPAA 45 CFR 160.103, limited to the information created, received, or used by Business Associate from or on behalf of Covered Entity, and includes any Part 2 records, if applicable, as defined below.
- e. "Part 2 record" means any patient "Record," relating to a "Patient," and "Patient Identifying Information," as defined in 42 CFR Part 2.11.
- f. "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.

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

- a. Business Associate shall not use, disclose, maintain, store, or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under the Agreement. Further, Business Associate, including ~~but not~~

Exhibit E

Business Associate Agreement
Page 1 of 5

Contractor Initials

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New Hampshire Department of Health and Human

Exhibit E

limited to all its directors, officers, employees, and agents, shall protect any PHI as required by HIPAA and 42 CFR Part 2, and not use, disclose, maintain, store, or transmit PHI in any manner that would constitute a violation of HIPAA or 42 CFR Part 2.

- b. Business Associate may use or disclose PHI, as applicable:
 - I. For the proper management and administration of the Business Associate;
 - II. As required by law, according to the terms set forth in paragraph c. and d. below;
 - III. According to the HIPAA minimum necessary standard;
 - IV. For data aggregation purposes for the health care operations of the Covered Entity; and
 - V. Data that is de-identified or aggregated and remains constructively identifiable may not be used for any purpose outside the performance of the Agreement.
- c. To the extent Business Associate is permitted under the BAA or the Agreement to disclose PHI to any third party or subcontractor prior to making any disclosure, the Business Associate must obtain, a business associate agreement or other agreement with the third party or subcontractor, that complies with HIPAA and ensures that all requirements and restrictions placed on the Business Associate as part of this BAA with the Covered Entity, are included in those business associate agreements with the third party or subcontractor.
- d. The Business Associate shall not, disclose any PHI in response to a request or demand for disclosure, such as by a subpoena or court order, on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity can determine how to best protect the PHI. If Covered Entity objects to the disclosure, the Business Associate agrees to refrain from disclosing the PHI and shall cooperate with the Covered Entity in any effort the Covered Entity undertakes to contest the request for disclosure, subpoena, or other legal process. If applicable relating to Part 2 records, the Business Associate shall resist any efforts to access part 2 records in any judicial proceeding.

(3) Obligations and Activities of Business Associate

- a. Business Associate shall implement appropriate safeguards to prevent unauthorized use or disclosure of all PHI in accordance with HIPAA Privacy Rule and Security Rule with regard to electronic PHI, and Part 2, as applicable.
- b. The Business Associate shall immediately notify the Covered Entity's Privacy Officer at the following email address, DHSPrivacyOfficer@dhhs.nh.gov after the Business Associate has determined that any use or disclosure not provided for by its contract, including any known or suspected privacy or security incident or breach has occurred potentially exposing or compromising the PHI. This includes inadvertent or accidental uses or disclosures or breaches of unsecured protected health information.
- c. In the event of a breach, the Business Associate shall comply with the terms of this Business Associate Agreement, all applicable state and federal laws and regulations and any additional requirements of the Agreement.
- d. The Business Associate shall perform a risk assessment, based on the information available at the time it becomes aware of any known or suspected privacy or

Exhibit E

Business Associate Agreement
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Date 1/30/2024



New Hampshire Department of Health and Human

Exhibit E

security breach as described above and communicate the risk assessment to the Covered Entity. The risk assessment shall include, but not be limited to:

- I. The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
 - II. The unauthorized person who accessed, used, disclosed, or received the protected health information;
 - III. Whether the protected health information was actually acquired or viewed; and
 - IV. How the risk of loss of confidentiality to the protected health information has been mitigated.
- e. The Business Associate shall complete a risk assessment report at the conclusion of its incident or breach investigation and provide the findings in a written report to the Covered Entity as soon as practicable after the conclusion of the Business Associate's investigation.
 - f. 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 US Secretary of Health and Human Services for purposes of determining the Business Associate's and the Covered Entity's compliance with HIPAA and the Privacy and Security Rule, and Part 2, if applicable.
 - g. Business Associate shall require all of its business associates that receive, use or have access to PHI under the BAA to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein.
 - h. Within ten (10) 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 BAA and the Agreement.
 - i. 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.
 - j. 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.
 - k. Business Associate shall document any disclosures of PHI and information related to any 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.
 - l. 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

Exhibit E

Business Associate Agreement
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Exhibit E

accordance with 45 CFR Section 164.528.

- m. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within five (5) 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.
 - n. Within thirty (30) 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-ups of such PHI in any form or platform.
- VI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, or if retention is governed by state or federal law, 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 as long as the Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall post a current version of the Notice of the Privacy Practices on the Covered Entity's website:

<https://www.dhhs.nh.gov/oos/hipaa/publications.htm> in accordance with 45 CFR Section 164.520.
- 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 BAA, 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 of Agreement for Cause

- a. In addition to the General Provisions (P-37) of the Agreement, the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a material breach by Business Associate of the Business Associate Agreement. 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.

(6) Miscellaneous

- a. Definitions, Laws, and Regulatory References. All laws and regulations

Exhibit E

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Business Associate Agreement

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Date 1/30/2024

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New Hampshire Department of Health and Human

Exhibit E

herein, shall refer to those laws and regulations as amended from time to time. A reference in the Agreement, as amended to include this Business Associate Agreement, to a Section in HIPAA or 42 Part 2, means the Section as in effect or as amended.

- b. Change in law - Covered Entity and Business Associate agree to take such action as is necessary from time to time for the Covered Entity and/or Business Associate to comply with the changes in the requirements of HIPAA, 42 CFR Part 2 other 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 BAA and the Agreement shall be resolved to permit Covered Entity and the Business Associate to comply with HIPAA and 42 CFR Part 2.
e. Segregation - If any term or condition of this BAA 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 BAA are declared severable.
f. Survival - Provisions in this BAA regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the BAA in section (3) g. and (3) n.l., and the defense and indemnification provisions of the General Provisions (P-37) of the Agreement, shall survive the termination of the BAA.

IN WITNESS WHEREOF, the parties hereto have duly executed this Business Associate Agreement.

Department of Health and Human Services

Waypoint

The State

Name of the Contractor

DocuSigned by:

Katja S. Fox

ED0005804C83142

DocuSigned by:

Borja Alvarez de Toledo

3E80BA284D0F480

Signature of Authorized Representative

Signature of Authorized Representative

Katja S. Fox

Borja Alvarez de Toledo

Name of Authorized Representative

Name of Authorized Representative

Director

president and CEO

Title of Authorized Representative

Title of Authorized Representative

1/31/2024

1/30/2024

Date

Date

Exhibit E

Contractor Initials

OS BBT

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 WAYPOINT is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on September 25, 1914. 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: 62585

Certificate Number: 0006363884



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 28th day of December A.D. 2023.

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

David M. Scanlan
Secretary of State



WAYPOINT

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CHILD AND FAMILY SERVICES

CERTIFICATE OF VOTE

I, MARK C. ROUVALIS, Board Chair, do hereby certify that:

1. I am a duly elected Officer of WAYPOINT.
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Agency duly held on 12/4/18:

RESOLVED: That this corporation enters into a contract with the State of New Hampshire, and any of its agencies or departments.

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

BORJA ALVAREZ DE TOLEDO is the duly elected PRESIDENT/CEO of the Agency.

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.

Date

1/24/24

Mark C. Rouvalis

Mark C. Rouvalis, Board
Chair



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/21/2023

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

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

PRODUCER Cross Insurance-Manchester 1100 Elm Street Manchester NH 03101	CONTACT NAME: Stephanie Peffer PHONE (A/C, No, Ext): (603) 669-3218 FAX (A/C, No): (603) 645-4331 E-MAIL ADDRESS: manch.certs@crossagency.com
INSURER(S) AFFORDING COVERAGE	
INSURER A: Philadelphia Indemnity Ins Co NAIC # 18058	
INSURER B: Granite State Health Care and Human Services Self-	
INSURER C: Travelers Cas. & Surety Co of America 31194	
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 23-24 All 24-25 WC **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input checked="" type="checkbox"/> OTHER: Professional Liability			PHPK2570618	07/01/2023	07/01/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 Each incident \$1M \$ 3,000,000 - agg
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY			PHPK2570610	07/01/2023	07/01/2024	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 \$ 10,000			PHUB869967	07/01/2023	07/01/2024	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N	N/A	HCHS20240000576 (3a.) NH	01/01/2024	01/01/2025	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Fidelity & Forgery			105912196	04/01/2021	04/01/2024	Limit \$500,000 Deductible \$500

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Refer to policy for exclusionary endorsements and special provisions.

CERTIFICATE HOLDER NH Department of Health & Human Services Bureau of Contracts & Procurement 129 Pleasant Street Concord NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	--



WAYPOINT

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CHILD AND FAMILY SERVICES

MISSION STATEMENT:

Empowering people of all ages through an array of human services and advocacy



HEADQUARTERS

toll free (800) 640.6486

office (603) 518.1000

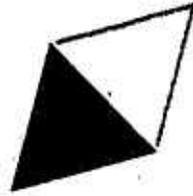
fax (603) 668.6260

464 Chestnut Street

PO Box 448

Manchester, NH 03105

waypointnh.org



WAYPOINT

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WAYPOINT

Consolidated Financial Statements and Supplementary Information
For the Year Ended December 31, 2022

(With Independent Auditor's Report Thereon)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Waypoint

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Waypoint, which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Waypoint as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Waypoint and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about

Merrimack, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine

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Waypoint's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Waypoint's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Waypoint's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Report on Summarized Comparative Information

We have previously audited Waypoint's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated April 12, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidated Schedules of Operating Expenses for 2022 and 2021 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2023 on our consideration of Waypoint's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Waypoint's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads 'Melanson'.

Merrimack, New Hampshire
May 10, 2023

WAYPOINT

Consolidated Statement of Financial Position December 31, 2022 (with comparative totals as of December 31, 2021)

	2022		2022 Total	2021 Total
	Without Donor Restrictions	With Donor Restrictions		
Assets				
Current Assets:				
Cash and cash equivalents	\$ 712,445	\$ -	\$ 712,445	\$ 1,337,022
Restricted cash	76,756	-	76,756	74,103
Accounts receivable, net	801,732	-	801,732	650,657
Grants receivable	1,274,880	-	1,274,880	639,234
Prepaid expenses	587,001	-	587,001	311,664
Total Current Assets	3,452,814	-	3,452,814	3,012,680
Noncurrent Assets:				
Investments	14,896,850	3,671,919	18,568,769	23,526,432
Beneficial interest held in trusts	-	2,020,741	2,020,741	2,202,347
Property and equipment, net	10,105,143	-	10,105,143	6,677,229
Operating right-of-use asset, net	334,034	-	334,034	-
Total Noncurrent Assets	25,336,027	5,692,660	31,028,687	32,406,008
Total Assets	\$ 28,788,841	\$ 5,692,660	\$ 34,481,501	\$ 35,418,688
Liabilities and Net Assets				
Current Liabilities:				
Accounts payable	\$ 246,312	\$ -	\$ 246,312	\$ 290,378
Accrued payroll and related liabilities	891,489	-	891,489	598,828
Other liabilities	205,887	-	205,887	63,699
Current portion of bonds payable	175,000	-	175,000	165,000
Current portion of operating lease liability	175,381	-	175,381	-
Refundable advances	443,742	-	443,742	660,937
Total Current Liabilities	2,137,811	-	2,137,811	1,778,842
Noncurrent Liabilities:				
Bonds payable, net of current portion	3,355,167	-	3,355,167	3,590,000
Operating lease liability, net of current portion	160,212	-	160,212	-
Deferred loans - NHHFA	1,250,000	-	1,250,000	1,250,000
Interest rate swap agreements	399,935	-	399,935	993,557
Total Noncurrent Liabilities	5,165,314	-	5,165,314	5,833,557
Total Liabilities	7,303,125	-	7,303,125	7,612,399
Net Assets:				
Without donor restrictions	21,485,716	-	21,485,716	20,919,645
With donor restrictions	-	5,692,660	5,692,660	6,886,644
Total Net Assets	21,485,716	5,692,660	27,178,376	27,806,289
Total Liabilities and Net Assets	\$ 28,788,841	\$ 5,692,660	\$ 34,481,501	\$ 35,418,688

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

WAYPOINT

Consolidated Statement of Activities For the Year Ended December 31, 2022 (with summarized comparative totals for the year ended December 31, 2021)

	2022		2022 Total	2021 Total
	Without Donor Restrictions	With Donor Restrictions		
Support and Revenue				
Support:				
Government grants	\$ 9,800,690	\$ -	\$ 9,800,690	\$ 8,916,060
Contributions	740,809	2,100,152	2,840,961	2,159,537
In-kind contributions	48,536	-	48,536	33,700
Special events:				
Gross revenue	224,603	392,352	616,955	443,686
Less cost of direct benefit to donors	<u>(153,690)</u>	<u>-</u>	<u>(153,690)</u>	<u>(56,246)</u>
Net special events revenue	70,913	392,352	463,265	387,440
Revenue:				
Service fees	6,200,380	-	6,200,380	5,511,187
Other income	40,684	-	40,684	21,655
Net Assets Released From Restrictions:				
Program releases	2,966,121	(2,966,121)	-	-
Endowment releases	89,703	(89,703)	-	-
Endowment Transfer to Support Operations	<u>842,559</u>	<u>-</u>	<u>842,559</u>	<u>643,173</u>
Total Support and Revenue	20,800,395	(563,320)	20,237,075	17,672,752
Operating Expenses				
Program services	15,261,737	-	15,261,737	13,488,186
Management and general	2,816,820	-	2,816,820	2,533,833
Fundraising	<u>795,129</u>	<u>-</u>	<u>795,129</u>	<u>647,250</u>
Total Operating Expenses	<u>18,873,686</u>	<u>-</u>	<u>18,873,686</u>	<u>16,669,269</u>
Change in Net Assets From Operations	1,926,709	(563,320)	1,363,389	1,003,483
Nonoperating Activities				
Investment income (loss), net	(3,647,593)	(449,057)	(4,096,650)	2,881,542
Unrealized gain (loss) on interest rate swap	593,622	-	593,622	289,196
Gain on the sale of asset	241,592	-	241,592	-
Change in beneficial interest	-	(413,854)	(413,854)	214,476
Interest income	4,744	-	4,744	1,249
Endowment transfer to support operations	(842,559)	-	(842,559)	(643,173)
Transfer of assets from Richie McFarland Children's Center (Note 21)	<u>2,289,556</u>	<u>232,247</u>	<u>2,521,803</u>	<u>-</u>
Total Nonoperating Activities	<u>(1,360,638)</u>	<u>(630,664)</u>	<u>(1,991,302)</u>	<u>2,743,290</u>
Change in Net Assets	566,071	(1,193,984)	(627,913)	3,746,773
Net Assets, Beginning of Year	<u>20,919,645</u>	<u>6,886,644</u>	<u>27,806,289</u>	<u>24,059,516</u>
Net Assets, End of Year	<u>\$ 21,485,716</u>	<u>\$ 5,692,660</u>	<u>\$ 27,178,376</u>	<u>\$ 27,806,289</u>

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

WAYPOINT

Consolidated Statement of Functional Expenses For the Year Ended December 31, 2022 (with summarized comparative totals for the year ended December 31, 2021)

	2022			2022 Total	2021 Total
	Program Services	Management and General	Fundraising		
Personnel expense:					
Salaries and wages	\$ 8,769,046	\$ 1,441,503	\$ 508,864	\$ 10,719,413	\$ 9,650,270
Employee benefits	1,324,206	156,284	44,810	1,525,300	1,270,901
Retirement plan	92,034	20,467	8,898	121,399	101,614
Payroll taxes and other	874,069	112,764	39,253	1,026,086	885,256
Mileage reimbursement	360,146	9,703	1,747	371,596	236,673
Contracted services	648,579	370,654	160,215	1,179,448	1,309,317
Subtotal personnel expense	<u>12,068,080</u>	<u>2,111,375</u>	<u>763,787</u>	<u>14,943,242</u>	<u>13,454,031</u>
Accounting	75	51,055	-	51,130	35,380
Assistance to individuals	1,100,071	717	50,017	1,150,805	901,544
Communications	184,344	32,935	12,811	230,090	212,681
Conferences, conventions, meetings	132,818	49,868	2,628	185,314	100,827
Depreciation	320,715	170,620	8,600	499,935	458,709
Insurance	79,551	15,794	2,532	97,877	64,578
Interest	222,898	22,106	6,388	251,392	233,409
Legal	2,044	16,617	-	18,661	12,543
Membership dues	28,105	26,169	2,437	56,711	60,902
Miscellaneous	38,075	34,413	8,675	81,163	60,596
Occupancy	732,997	54,952	11,895	799,844	667,827
Printing and publications	29,688	29,232	67,493	126,413	70,853
Rental and equipment maintenance	157,766	174,987	8,806	341,559	247,684
Supplies	143,892	12,963	2,740	159,595	123,453
Travel	20,618	13,017	10	33,645	20,498
Total Expenses By Function	<u>15,261,737</u>	<u>2,816,820</u>	<u>948,819</u>	<u>19,027,376</u>	<u>16,725,515</u>
Less expenses included on the Statement of Activities:					
Cost of direct benefits to donors	<u>-</u>	<u>-</u>	<u>(153,690)</u>	<u>(153,690)</u>	<u>(56,246)</u>
Total Expenses Reported on the Statement of Activities	<u>\$ 15,261,737</u>	<u>\$ 2,816,820</u>	<u>\$ 795,129</u>	<u>\$ 18,873,686</u>	<u>\$ 16,669,269</u>

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

WAYPOINT

Consolidated Statement of Cash Flows For the Year Ended December 31, 2022 (with comparative totals for the year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (627,913)	\$ 3,746,773
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	499,935	458,709
Disposals of fixed assets	242,906	1,889
Amortization of operating right-of-use assets	173,740	-
Contributions restricted for endowment	(71,249)	-
Realized (gain) loss on investments	(171,631)	(1,462,149)
Unrealized (gain) loss on investments	4,768,167	(1,028,032)
Change in beneficial interest in trusts	413,854	(214,476)
Change in interest rate swap	(593,622)	(289,196)
RMCC fixed assets and beneficial interest (Note 21)	(1,332,247)	-
Changes in operating assets and liabilities:		
Accounts receivable	(151,075)	(295,049)
Grants receivable	(635,646)	205,925
Prepaid expenses	(275,337)	(134,246)
Accounts payable	(44,066)	(30,492)
Accrued payroll and related liabilities	292,661	60,092
Other liabilities	142,188	(1,200)
Refundable advances	(217,195)	(1,868,372)
Operating lease liability	<u>(172,182)</u>	<u>-</u>
Net Cash Provided (Used) By Operating Activities	2,241,288	(849,824)
Cash Flows From Investing Activities		
Purchases of investments	(571,135)	(401,514)
Proceeds from sale of investments	932,262	697,285
Purchase of fixed assets	<u>(3,070,755)</u>	<u>(700,247)</u>
Net Cash Used By Investing Activities	(2,709,628)	(404,476)
Cash Flows From Financing Activities		
Contributions restricted for endowment	71,249	-
Proceeds from line of credit	-	4,841,239
Principal payments on line of credit	-	(4,841,239)
Payment of long-term debt	<u>(224,833)</u>	<u>(160,000)</u>
Net Cash Used By Financing Activities	<u>(153,584)</u>	<u>(160,000)</u>
Net Change in Cash and Cash Equivalents and Restricted Cash	(621,924)	(1,414,300)
Cash and Cash Equivalents, and Restricted Cash, Beginning of Year	<u>1,411,125</u>	<u>2,825,425</u>
Cash and Cash Equivalents, and Restricted Cash, End of Year	<u>\$ 789,201</u>	<u>\$ 1,411,125</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ 251,392</u>	<u>\$ 233,409</u>
Supplemental Disclosure of Non-cash Investing Activity:		
RMCC fixed assets and beneficial interest (Note 21)	<u>\$ 1,332,247</u>	<u>\$ -</u>
As reported in the Consolidated Statement of Financial Position, cash balance consists of:		
Cash and cash equivalents	\$ 712,445	\$ 1,337,022
Restricted cash	<u>76,756</u>	<u>74,103</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 789,201</u>	<u>\$ 1,411,125</u>

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

WAYPOINT

Notes to Consolidated Financial Statements For the Year Ended December 31, 2022

1. **Organization**

Waypoint (the Organization) is a nonprofit organization, founded in 1850, that currently aids more than 6,800 individuals, statewide, through an array of social services.

These services span the life cycle from prenatal to seniors, and can be grouped into the following categories:

Family Support

Nearly 2,700 individuals received assistance through the Early Childhood and Family Support programs. Parents received education and support to improve parenting, strengthen families, prevent child abuse and neglect, and ensure healthy development of children. Young children starting life at a disadvantage received critical services to ensure a good beginning and to optimize their chance for life-long success. Some of the programs focused on early childhood include:

Early Support and Services

The Early Support and Services program provides family-centered support and therapies to infants and toddlers who have developmental disabilities, delays, or are at risk of developmental delays. Services work to optimize babies' cognitive, physical, emotional and social development, and chance for success. Services are provided in the child's natural environment (home, day care, playground, etc.).

Home Visiting Services

A number of different prevention programs are offered in the home during those critical early years of a child's life. A spectrum of services includes support to new mothers and those struggling to parent; services for children with chronic health conditions; prenatal services for babies being born at a disadvantage into low-income families; and programs to encourage positive early parent/child relationships and promote optimal early childhood development. Services are provided by nurses, social workers, developmental specialists, occupational therapists, health educators, and home visitors.

Partners in Health

Family Support Coordinators provide a variety of services to families who have a child with a chronic health condition. Services include identifying needs and helping access available resources, working with schools, insurance companies and health care providers and creating social and recreational opportunities with other families that share similar concerns.

The Children's Place and Parent Education Center

The Children's Place and Parent Education Center (TCP) in Concord, NH provides both educational and social programs and services to strengthen and enrich the lives of families with children, two months through six years old.

Family Preservation

The Organization contracts with the State of New Hampshire, the federal government, and insurance companies, to provide a continuum of services for children, adolescents, and young adults. Programs are delivered to 3,000 individuals in the home, schools, or community, and include mental health counseling and substance abuse treatment, as well as a complex system of family stabilization and preservation programs, child protection services, and services for at-risk youth. Some of the programs include:

Foster Care

The Organization works with the State of New Hampshire in placing children who have been rescued from dangerous home environments, into safe, stable, loving homes. The Organization recruits and supports foster families and works to facilitate permanency for each child.

Home Based Services

The Organization has a number of programs provided in the family home that are designed to help families who are struggling through daily life - where children are at risk. Services work to thwart domestic violence, rebuild families, and to improve family functioning. The Organization empowers families with the skills and resources they need to provide for their children and become self-sufficient.

Community Based Voluntary Services

The Organization works with families at risk to equip them with the skills and tools to overcome life challenges and prevent the need for state involvement. The program partners with families to recognize their strengths and find solutions to everyday problems by removing barriers, tailoring services to their needs, and enhancing access to resources and connections.

Runaway and Homeless Youth Services

The Organization is the sole provider of services for runaway and homeless youth in Manchester and the Seacoast. In 2022, over 700 individuals were served. A full spectrum of services features outreach to at-risk youth that includes survival aid on the streets and basic needs fulfillment at the drop-in center, as well as crisis intervention, educational and vocational advocacy, housing, and case management. The Organization operates the only shelter specifically for adults aged 18-24 who are experiencing or are at-risk of homelessness. The Organization also provides behavioral health and substance use counseling where needed. The Organization works with school systems, police, and other agencies in addressing the needs of New Hampshire's homeless youth.

Home Care

The Organization helps 460 seniors and individuals with chronic illness or disability to live at home safely and with dignity, and to maintain quality of life. Services are delivered by homemakers, companions, personal care service providers, and LNAs. The Organization's caregivers go to client homes to help with everything from cooking and cleaning to personal hygiene, medication reminders, mobility, travel to appointments, paying bills, help with daily tasks, and communication with family members.

Other Programs

The New Hampshire Children's Lobby

Established in 1971, the New Hampshire Children's Lobby is the advocacy wing of Waypoint. The program's mission is to improve the lives of children and families through legislative, judicial, and public policy initiatives. This combination of advocacy and direct service practice uniquely positions the Organization to serve the best interest of New Hampshire children.

Resources for Families Affected by Incarceration

A variety of programs and services are available that support the needs of incarcerated parents, their children, and the parents/caregivers of the child during the period of incarceration. This program is a partnership between Waypoint, New Hampshire Family Resource Centers, Family Connections Center-NHDOC and New Hampshire Jails.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies used in preparing and presenting the accompanying consolidated financial statements.

Basis of Financial Statement Presentation

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Change in Accounting Principle

ASU 2016-02, Leases

Effective January 1, 2022, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases*. The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification. The Organization elected the short-term lease recognition exemption for all leases that qualify. Consequently, for those leases that qualify, the Organization will not recognize right-of-use assets or lease liabilities on the Statement of Financial Position. The Organization generally does not have access to the rate implicit in the lease and, therefore, the Organization utilizes a risk-free rate as the discount rate.

The adoption of ASC 842 resulted in the recognition of right-to-use assets of \$507,774 and operating lease liabilities of \$507,774 as of January 1, 2022. Results for periods beginning prior to January 1, 2022 continue to be reported in accordance with the Organization's historical accounting treatment. The adoption of ASC 842 did not have a material impact on the Organization's results of operations and cash flows.

See *Summary of Significant Accounting Policies, Leases*, for further discussion of the effects of adopting ASC 842 on the Organization's significant accounting policies.

ASU 2020-07, Contributed Nonfinancial Assets

In 2022, the Organization retrospectively adopted Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the Statement of Activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

Principles of Consolidation

The consolidated financial statements include Waypoint and Child and Family Realty Corporation, commonly controlled organizations. All inter-organization transactions have been eliminated. Unless otherwise noted, these consolidated entities are hereinafter referred to as "the Organization".

Comparative Financial Information

The accompanying consolidated financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments invested for long-term purposes, including endowments that are perpetual in nature, are excluded from this definition.

Accounts Receivable

Accounts receivable consists primarily of noninterest-bearing amounts due for services and programs. The allowance for uncollectable accounts receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable.

Grants Receivable

Grants receivable, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Amounts recorded as grants receivable represent cost-reimbursable contracts and grants, which the incurrence of allowable qualifying expenses and/or the performance of certain requirements have been met or performed. The allowance for uncollectible grants receivable is based on historical experience and a review of subsequent collections. Management has determined that no allowance is necessary.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Consolidated Statement of Financial Position. Net investment return/(loss) is reported in the Consolidated Statement of Activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses.

The Organization maintains pooled investment accounts for its endowment. Realized and unrealized gains and losses are allocated to the individual endowments based on the relationship of the market value of each endowment to the total market value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts, and taking into consideration donor restrictions related to the treatment of investment earnings.

Beneficial Interest Held in Trusts

The Organization is the beneficiary of perpetual charitable trusts. The beneficial interest in trusts is reported at its fair value, which is estimated as the fair value of the underlying trust assets. Distributions of income from trust assets are restricted as to use and are reported as increases in net assets with donor restrictions until expended in accordance with restrictions. The value of the beneficial interest in the trusts is adjusted annually for the change in its estimated fair value. Those changes in value are reported as increases in net assets with donor restrictions. The assets in the trusts will never be distributed to the Organization.

Property and Equipment

Property and equipment additions over \$5,000 are recorded at cost, if purchased, and at fair value at the date of donation, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 50 years. When assets are sold or otherwise disposed of, the cost and related depreciation is removed, and any resulting gain or loss is included in the Consolidated Statement of Activities. Costs of

maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. Assets not in service are not depreciated.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment in 2022 or 2021.

Leases

The Organization is a lessee in several noncancellable operating leases, for office space and equipment. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The Organization generally does not have access to the rate implicit in the lease and, therefore, the Organization utilizes a risk-free rate as the discount rate at the lease commencement date for all classes of underlying assets. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease costs associated with short-term leases on a straight-line basis over the lease term.

The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately. The Organization has elected, for all underlying classes of assets, to account for each separate lease component of a contract and its associated non-lease components (repairs and maintenance) as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. These variable lease payments are recognized in operating expenses in the period in which the obligation for those payments was incurred.

Interest Rate Swap

An interest rate swap is utilized to mitigate interest rate risk on bonds payable. The related liability is reported at fair value in the Consolidated Statement of Financial Position, and unrealized gains or losses are included in the Consolidated Statement of Activities.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions.

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) imposed restrictions. The Board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions

Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization recognizes revenue from contributions and grants that were initially conditional, which became unconditional with restrictions during the reporting period, and for which those restrictions were met during the reporting period, as net assets without donor restrictions.

Revenue and Revenue Recognition

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Consolidated Statement of Financial Position.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Revenues derived from providing program services are recognized as the services are provided. Program service fees paid in advance are deferred to the period to which they relate. All other amounts paid in advance are deferred to the period in which the underlying event or rental takes place. Due to the nature and timing of the performance and/or transfer of services, certain contract liabilities at December 31 of each year are recognized in the following year.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by GAAP. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated professional services are recorded at the respective fair values of the services received. Contributed goods are recorded at fair value at the date of donation and as expenses when placed in service or distributed. Donated use of facilities is reported as a contribution and as an expense at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the amount is reported as a contribution and an unconditional promise to give at the date of the gift, and the expense is reported over the term of use.

Advertising Costs

Advertising costs are expensed as incurred and are reported in the Consolidated Statement of Activities and Consolidated Statement of Functional Expenses.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Consolidated Statement of Activities. The Consolidated Statement of Functional Expenses presents the natural classification detail of expenses by function.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salary and benefits, which are allocated based on time and effort estimates, and occupancy costs and depreciation which are allocated based on personnel count at the location.

Measure of Operations

The Consolidated Statement of Activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing programs and services and include the

Organization's annual endowment transfer to support operations. Nonoperating activities are limited to resources outside of those programs and services and are comprised of non-recurring gains and losses on sales and dispositions, investment income, and changes in the value of beneficial interests and interest rate swaps.

Income Taxes

Waypoint has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for charitable contribution deductions, and has been determined not to be a private foundation. Child and Family Realty Corporation is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(25).

Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, each is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose.

Estimates

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

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash deposits with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with receivables is considered to be limited due to high historical collection rates. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the Consolidated Statement of Financial Position. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Investment Committee believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Fair Value Measurements and Disclosures

Certain assets and liabilities are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the

asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset or liability within the hierarchy is based upon the pricing transparency of the asset or liability and does not necessarily correspond to the assessment of the quality, risk, or liquidity profile of the asset or liability.

New Accounting Standards to be Adopted in the Future

Credit Losses

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*. The ASU requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the Statement of Activities will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This ASU will be effective for the Organization for the year ending December 31, 2023. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the consolidated financial statements.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Consolidated Statement of Financial Position, were comprised of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 712,445	\$ 1,337,022
Restricted cash	76,756	74,103
Accounts receivable, net	801,732	650,657
Grants receivable	1,274,880	639,234
Investments	18,568,769	23,526,432
Beneficial interest held in trusts	<u>2,020,741</u>	<u>2,202,347</u>
Total financial assets	23,455,323	28,429,795
Less amounts not available to be used within one year:		
Restricted cash not available for general expenditure	76,756	74,103
Net assets with donor restrictions	5,692,660	6,886,644
Less:		
Net assets with purpose restrictions to be met in less than a year	(1,133,668)	(1,678,535)
Donor-restricted endowment subject to spending policy rate and appropriation	(73,998)	(120,230)
Board-designated endowment	14,896,850	18,842,135
Less:		
Board-designated endowment annual spending policy rate and appropriation	<u>(868,594)</u>	<u>(541,770)</u>
Total amounts not available to be used within one year	<u>18,590,006</u>	<u>23,462,347</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 4,865,317</u>	<u>\$ 4,967,448</u>

Endowment funds consist of donor-restricted endowments and funds designated by the Board to function as endowments. Income from donor-restricted endowments is restricted for specific purposes. The portion of endowment funds that are perpetual in nature are not available for general expenditure.

The board-designated endowment is subject to an annual spending rate as determined by the Board. Although there is no intention to spend from the board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

As part of its liquidity management plan, the Organization also has a \$1,500,000 revolving line of credit available to meet cash flow needs.

4. Accounts Receivable

Accounts receivable consisted of the following at December 31, 2022 and 2021:

	2022			2021		
	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Fees for service	\$ 802,032	\$ (300)	\$ 801,732	\$ 650,957	\$ (300)	\$ 650,657
Total	\$ 802,032	\$ (300)	\$ 801,732	\$ 650,957	\$ (300)	\$ 650,657

5. Prepaid Expenses

Prepaid expenses at year-end relate primarily to prepaid insurance and contracts.

6. Investments

Investments measured at fair value on a recurring basis consisted of mutual funds totaling \$18,568,769 and \$23,526,432 at December 31, 2022 and 2021, respectively. During 2022 and 2021, the Organization recognized \$(4,596,536) and \$2,490,181, respectively, of net gains and losses on investments. Of those amounts, \$(4,596,536) and \$2,490,181 was recognized on investments of equity securities held at December 31, 2022 and 2021, respectively.

Under the terms of the Organization's line of credit agreement (Note 9), the Organization has agreed not to pledge these investments as security on any other debt.

The Organization's policy is to avail itself of a Board-approved percentage of investment income for operations with any remaining interest, dividends, or appreciation reinvested. The spending policy approved by the Board of Trustees is a percentage of the average total endowment value over the previous twelve quarters, with a 1% contingency margin. In 2022, the approved rate was 5.00%. In 2021, the approved rate was 4.00% from January through September and 5.00% thereafter.

As discussed in Note 2 to these consolidated financial statements, the Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Organization's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments. Level 2 is for investments measured using inputs such as quoted prices for similar assets, quoted prices for the identical asset in inactive markets, and for investments measured at net asset value that can be redeemed in the near

term. Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

The Organization uses the following method to determine the fair value of its investments:

Mutual funds: Level 1 as determined by the published value per unit at the end of the last trading day of the year, which is the basis for transactions at that date.

7. Beneficial Interest Held in Trusts

The Organization is the sole beneficiary of four funds that are administered by the New Hampshire Charitable Foundation (NHCF). Income from the funds is to provide assistance to children attending camp and for capital improvements to the camp, and to support the Early Supports and Services program based in the Stratham office. The fund's resolutions provide that distributions from the funds can be made at the discretion of the NHCF Board of Directors.

At December 31, 2022 and 2021, the fair market value of the funds, which approximates the present value of future benefits expected to be received, was \$1,152,876 and \$1,112,493, respectively.

In addition, the Organization has a split-interest in three charitable remainder trusts. The assets are held in trust by banks as permanent trustees of the trusts. The fair value of these beneficial interests is determined by applying the Organization's percentage interest to the fair value of the trust assets as reported by the trustee.

<u>Trust</u>	<u>Percentage Interest</u>	<u>2022</u>	<u>2021</u>
Greenleaf	100%	\$ 335,096	\$ 415,006
Spaulding	100%	300,889	380,406
Cogswell	50%	<u>231,880</u>	<u>294,442</u>
Total		<u>\$ 867,865</u>	<u>\$ 1,089,854</u>

Beneficial interest held in trusts is reported at fair value, which is estimated as the present value of expected future cash inflows on a recurring basis. As discussed in Note 2, the valuation technique used by the Organization is a Level 3 measure because there are no observable market transactions.

8. Property and Equipment

Property and equipment was comprised of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Land and land improvements	\$ 958,884	\$ 943,800
Buildings and improvements	10,995,856	7,376,874
Furniture, fixtures, and equipment	962,064	908,672
Vehicles	68,761	86,019
Software	503,924	503,924
Construction in progress	15,220	426,668
Assets held for sale (Camp Spaulding)	<u>2,069,667</u>	<u>2,069,667</u>
Subtotal	15,574,376	12,315,624
Less accumulated depreciation	<u>(5,469,233)</u>	<u>(5,638,395)</u>
Total	<u>\$ 10,105,143</u>	<u>\$ 6,677,229</u>

9. Line of Credit

The Organization has a \$1,500,000 revolving line of credit agreement with a bank, which is payable on demand. The line is secured by a first lien on accounts receivable, double negative pledge on all investments of the borrower, and carries a variable rate of interest at the Wall Street Journal prime rate (7.5% at December 31, 2022), adjusted daily. At December 31, 2022 and 2021, there was no outstanding balance on this line of credit.

10. Bonds Payable

During 2007, the New Hampshire Health and Education Facilities Authority (the "Authority") sold \$5,540,000 of its Revenue Bonds, Child and Family Services Issue, Series 2007, and loaned the proceeds of the bonds to the Organization to refund its Series 1999 Series Bonds and to finance certain improvements to the Organization's facilities. The Series 2007 Bonds were issued with a variable interest rate determined on a weekly basis. Prior to issuing the Bonds, the Organization entered into an interest rate swap agreement (the "Swap Agreement") with Citizens Bank of NH (the "Counterparty") for the life of the bond issue to hedge the interest rate risk associated with the Series 2007 Bonds. The interest rate swap agreement requires the Organization to pay the Counterparty a fixed rate of 3.915%; in exchange, the Counterparty will pay the Organization a variable rate on the notional amount based on the 67% of one month LIBOR. Counterparty payments to the Organization were intended to offset Organization payments of variable rate interest to bondholders. Counterparty credit worthiness and market variability can impact the variable rates received and paid by the Organization, with the potential of increasing Organization interest payments. As a result, the cost of the interest rate swap for 2022 and 2021 is added to interest

expense in the Consolidated Statement of Functional Expenses. The bonds mature in 2038 and can be repaid at any time.

The Organization is required to include the fair value of the swap in the Consolidated Statement of Financial Position, and annual changes, if any, in the fair value of the swap in the Consolidated Statement of Activities. For example, during the bond's 30-year holding period, the annually calculated value of the swap will be reported as an asset if interest rates increase above those in effect on the date of the swap was entered into (and as an unrealized gain in the Consolidated Statement of Activities), which will generally be indicative that the net fixed rate the Organization is paying on the swap is below market expectations of rates during the remaining term of the swap. The swap will be reported as a liability (and as an unrealized loss in the Consolidated Statement of Activities) if interest rates decrease below those in effect on the date the swap was entered into, which will generally be indicative that the net fixed rate the Organization is paying on the swap is above market expectations of rates during the remaining term of the swap. The annual accounting adjustments of value changes in the swap transaction are non-cash recognition requirements, the net effect of which will be zero at the end of the bond's 30-year term. At December 31, 2022 and 2021, the Organization recorded the swap liability position of \$399,395 and \$993,557, respectively. During 2009, there occurred a downgrading of the credit rating of the Counterparty to the letter of credit reimbursement agreement, which triggered a mandatory tender of the Series 2007 Bonds in whole and a temporary conversion of one hundred percent of the principal amount to a bank purchase mode under the terms of said letter of credit reimbursement agreement. Since it became evident that the credit markets would not soon return to normalcy, the Organization elected to convert the Series 2007 Bonds from a weekly rate mode to a bank purchase mode. This new bank purchase mode created a rate period in which the Series 2007 Bonds bear interest at the tax adjusted bank purchase rate of 68% of the sum of the adjusted period LIBOR (30 day) rate and 325 basis points. The bank purchase mode commenced on July 31, 2009 and expired on July 31, 2014; however, the expiration date was extended by the Counterparty and the Organization had the option to convert back to the weekly rate mode. The Series 2007 Bond documents require the Organization to comply with certain financial covenants. As of December 31, 2022, the Organization was in compliance with these covenants.

The following is a summary of future payments on the previously mentioned bonds payable:

<u>Year</u>	<u>Amount</u>
2023	\$ 175,000
2024	180,000
2025	195,000
2026	200,000
2027	205,000
Thereafter	<u>2,575,167</u>
Total	\$ <u>3,530,167</u>

11. Leases

The Organization rents property and equipment under non-cancelable operating lease agreements with monthly payments ranging from \$1,430 to \$3,229. The leases expire at various dates through October 2025.

While all agreements provide minimum lease payments, some include payments adjusted for inflation or variable common area maintenance charges. Variable payments are not determinable at the lease commencement and are not included in the measurement of lease assets and liabilities. The lease agreements do not include any material residual value guarantees or restrictive covenants.

The components of operating lease expense that are included in the Statement of Activities for the year ended December 31, 2022 were as follows:

Fixed lease cost	\$ 176,300
Variable lease cost	57,396
Short-term lease cost	<u>14,000</u>
Total lease cost	\$ <u>247,696</u>

During the year ended December 31, 2022, the Organization had the following cash and non-cash activities related to operating leases:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows for operating leases	\$ 176,600
Non-cash investing and financing activities:	
Lease assets obtained in exchange for lease liabilities:	
Operating leases	\$ 507,774

Weighted average lease term and discount rate at December 31, 2022, were as follows:

Weighted average remaining lease term (years)	2.14
Weighted average discount rate	1.04%

Future payments due under operating leases as of December 31, 2022, were as follows for the years ending December 31:

2023	\$ 178,096
2024	115,716
2025	<u>45,900</u>
Total lease payments	339,712
Less imputed interest	<u>4,119</u>
Present value of lease liabilities	<u>\$ 335,593</u>

Rent expense, as previously defined under FASB ASC 840, for all operating leases was \$227,552 for the year ended December 31, 2021.

12. Refundable Advances

Refundable advances totaling \$443,742 and \$660,937 at December 31, 2022 and 2021, respectively, primarily include grant funds received in advance from the New Hampshire Department of Health and Human Services for community-based voluntary services and American Rescue Plan Act funds. Revenues will be recognized as the conditions of the grants are met.

13. Deferred Loans - NHHFA

Deferred loans at December 31, 2022 and 2021 were comprised of the following:

Note payable to the New Hampshire Housing and Finance Authority (NHHFA) dated June 7, 2005. The face amount of the note is \$550,000, does not require the payment of interest, and is due in 30 years. The note is secured by real estate located in Dover, New Hampshire. In line with the regulatory agreement related to the note payable, the Organization has remitted to NHHFA funds to establish an operating and replacement reserve. The balance of this reserve is reported as restricted cash on the Consolidated Statement of Financial Position. The restricted cash balance related to this note as of December 31, 2022 and 2021 totaled \$33,336 and \$32,102, respectively.

Note payable to the New Hampshire Housing and Finance Authority dated May 22, 2007. The face amount of the note is \$700,000, does not require the payment of interest, and is due in 30 years. The note is secured by real estate located in Manchester, New Hampshire. In line with the regulatory agreement related to the note payable, the Organization has remitted to NHHFA funds to establish an operating and replacement reserve. The balance of this reserve is reported as restricted cash on the Consolidated Statement of Financial Position. The restricted cash balance as of December 31, 2022 and 2021 related to this note totaled \$43,420 and \$42,001, respectively.

14. Endowment Funds

Types of Funds

The Organization's endowment consists of various individual funds established for a variety of purposes. The endowment includes both donor-restricted funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Board-Designated Endowment

As of December 31, 2022 and 2021, the Board of Trustees had designated \$14,896,850 and \$18,842,135 respectively, of net assets without donor restrictions as a general endowment fund to support the mission of the Organization.

Donor-Designated Endowments

The Board of Trustees of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date for donor-restricted perpetual endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as perpetually restricted net assets (a) the original value of gifts donated to the endowment,

(b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment fund that is not classified as perpetually restricted is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Funds with Deficiencies

The Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization complies with UPMIFA and has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The Organization had no underwater endowment funds at December 31, 2022 or 2021.

Investment Policy

The Organization has adopted an investment and spending policy to ensure a total return (income plus capital change) necessary to preserve and enhance the principal of the fund and, at the same time, provide a dependable source of support for current operations and programs. The withdrawal from the fund in support of current operations is expected to remain a constant percentage of the total fund, adjusted for new gifts to the fund.

In recognition of the prudence required of fiduciaries, reasonable diversification is sought where possible. Experience has shown financial markets and inflation rates are cyclical and, therefore, control of volatility will be achieved through investment styles. Asset allocation parameters have been developed for various funds within the structure, based on investment objectives, liquidity needs, and time horizon for intended use.

Measurement of investment performance against policy objectives will be computed on a total return basis, net of management fees and transaction costs. Total return is defined as dividend or interest income plus realized and unrealized capital appreciation or depreciation at fair market value.

Spending Policy

The Organization's spending policy rate is a percentage of the average total endowment value over the trailing 12 quarters with a 1% contingency margin. This includes interest and dividends paid out to the Organization. In 2022, the approved rate was 5.00%. In 2021, the approved rate was 4.00% from January through September and 5.00% thereafter.

Changes in Endowment Net Assets

The net asset composition of endowment net assets as of December 31, 2022 and changes in endowment net assets for the year ended December 31, 2022 were as follows:

	Without Donor Restrictions	With Donor Restrictions			Total	Total Endowment Net Assets
		Purpose Restricted	Cumulative Appreciation	Perpetually Restricted		
Endowment net assets, beginning of year	\$ 18,842,135	\$ 1,678,535	\$ 1,327,161	\$ 1,678,601	\$ 4,684,297	\$ 23,526,432
Contributions	-	-	-	71,249	71,249	71,249
Appropriations from endowment	(842,559)	-	(89,703)	-	(89,703)	(932,262)
Temporary appropriation for purpose-restricted net assets	544,867	(544,867)	-	-	(544,867)	-
Investment income, net	<u>(3,647,593)</u>	-	<u>(449,057)</u>	-	<u>(449,057)</u>	<u>(4,096,650)</u>
Endowment net assets, end of year	\$ <u>14,896,850</u>	\$ <u>1,133,668</u>	\$ <u>788,401</u>	\$ <u>1,749,850</u>	\$ <u>3,671,919</u>	\$ <u>18,568,769</u>

The net asset composition of endowment net assets as of December 31, 2021 and changes in endowment net assets for the year ended December 31, 2021 were as follows:

	Without Donor Restrictions	With Donor Restrictions			Total	Total Endowment Net Assets
		Purpose Restricted	Cumulative Appreciation	Perpetually Restricted		
Endowment net assets, beginning of year	\$ 18,612,885	\$ -	\$ 1,050,689	\$ 1,678,601	\$ 2,729,290	\$ 21,342,175
Contributions	-	-	-	-	-	-
Appropriations from endowment	(643,173)	-	(54,112)	-	(54,112)	(697,285)
Temporary appropriation for purpose-restricted net assets	(1,678,535)	1,678,535	-	-	1,678,535	-
Investment income, net	<u>2,550,958</u>	-	<u>330,584</u>	-	<u>330,584</u>	<u>2,881,542</u>
Endowment net assets, end of year	\$ <u>18,842,135</u>	\$ <u>1,678,535</u>	\$ <u>1,327,161</u>	\$ <u>1,678,601</u>	\$ <u>4,684,297</u>	\$ <u>23,526,432</u>

15. Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions were comprised of the following at December 31, 2022 and 2021:

	2022	2021
Undesignated net assets	\$ 6,588,866	\$ 2,077,510
Board-designated endowment	<u>14,896,850</u>	<u>18,842,135</u>
Total	\$ <u>21,485,716</u>	\$ <u>20,919,645</u>

Net Assets With Donor Restrictions

Net assets with donor restrictions were comprised of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Camp	\$ 59,441	\$ 88,373
Family preservation	77,825	30,273
Family resource center	236,029	146,872
Homecare	151,410	183,474
Staff training and other projects	12,544	110,841
Teen and youth	581,804	1,091,207
The Children's Place	14,615	27,495
	<u>1,133,668</u>	<u>1,678,535</u>
Accumulated earnings restricted by donors for:		
General operations	158,281	252,088
Camp operations	252,769	422,315
Other purposes	377,351	652,758
	<u>788,401</u>	<u>1,327,161</u>
Original gift restricted by donors for:		
General operations	136,532	133,407
Camp operations	548,183	548,183
Other purposes	1,065,135	997,011
	<u>1,749,850</u>	<u>1,678,601</u>
Not subject to spending policy or appropriation:		
Beneficial interest in trusts	<u>2,020,741</u>	<u>2,202,347</u>
Total	<u>\$ 5,692,660</u>	<u>\$ 6,886,644</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restrictions:		
Camp	\$ 46,947	\$ 7,969
Family preservation	233,742	37,476
Family resource center	234,362	142,366
Homecare	339,340	149,511
Staff training and other projects	150,258	44,981
Teen and youth	1,918,666	115,589
The Children's Place	<u>42,806</u>	<u>42,559</u>
	2,966,121	540,451
Restricted purpose spending-rate distributions and appropriations:		
General operations	15,259	14,100
Other purposes	<u>74,444</u>	<u>40,012</u>
	<u>89,703</u>	<u>54,112</u>
Total	<u>\$ 3,055,824</u>	<u>\$ 594,563</u>

16. Contributed Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets for the years ended December 31, 2022 and 2021:

	<u>Revenue Recognized</u>		<u>Utilization in Programs/Activities</u>	<u>Valuation Techniques and Inputs</u>
	<u>2022</u>	<u>2021</u>		
Food	\$ 27,599	\$ 22,738	Family Preservation, Homecare, and Teen & Youth Services.	U.S. retail prices of identical products using pricing data under a 'like-kind' methodology considering the good's conditions and utility for use at the time of contribution.
Supplies	11,751	9,480	Administration, Family Preservation, and Teen & Youth Services.	U.S. retail prices of identical products using pricing data under a 'like-kind' methodology considering the good's conditions and utility for use at the time of contribution.
Storage	297	-	Teen & Youth Services	Valued at the estimated fair value based on current rates for similar storage space.
Clothing	4,055	1,482	Family Preservation, and Teen & Youth Services.	U.S. retail prices of identical products using pricing data under a 'like-kind' methodology considering the good's conditions and utility for use at the time of contribution.
Toys	777	-	Family Preservation	U.S. retail prices of identical products using pricing data under a 'like-kind' methodology considering the good's conditions and utility for use at the time of contribution.
Services	4,057	-	Family Preservation	Contributed professional services are valued at the estimated fair value based on current rates for similar services.
Total	\$ <u>48,536</u>	\$ <u>33,700</u>		

There were no associated donor restrictions with the above contributed nonfinancial assets.

17. Assistance to Individuals

Assistance to individuals was comprised of the following for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Payment to parents of foster children	\$ 79,831	\$ 112,950
Housing assistance to youth at risk of homelessness	259,436	242,386
Gift cards provided to families during holiday season	50,000	51,000
Food for at risk youth	36,872	25,914
In kind assistances	48,536	33,700
Other assistance such as medical, childcare, transportation, and family activities	<u>676,130</u>	<u>435,594</u>
Total	<u>\$ 1,150,805</u>	<u>\$ 901,544</u>

18. Defined Contribution Plan

The Organization maintains a 403(b) Thrift Plan (the Plan). The Plan is a defined contribution plan that all eligible employees may immediately make elective participant contributions to upon hire. A pretax voluntary contribution is permitted by employees up to limits imposed by the Internal Revenue Code and other limitations specified in the Plan. Contributions made to the plan by the Organization for the years ended December 31, 2022 and 2021 totaled \$121,399 and \$101,614, respectively.

19. Related Party Transactions

The Organization procures a portion of their legal services from a local law firm that employs an attorney who also serves on the Organization's Board of Trustees. The attorney board member does not personally perform the legal services. For the years ended December 31, 2022 and 2021, the total legal expense from related parties was \$10,190 and \$13,989, respectively.

20. Concentration of Risk

The majority of the Organization's grants are received from agencies of the State of New Hampshire. As such, the Organization's ability to generate resources via grants is dependent upon the economic health of that area and of the State of New Hampshire. An economic downturn could cause a decrease in grants that coincides with an increase in demand for the Organization's services.

21. Transfer of Assets - Richie McFarland Children's Center

On January 1, 2022, the State of New Hampshire certified the merger of the Organization with the Richie McFarland Children's Center (the Center). The agreement called for all the related assets and liabilities of the Center to be merged entirely into the Organization. This agreement allowed the Organization to expand various child service program offerings throughout the eastern side of the State of New Hampshire.

The Organization recognized the following assets and liabilities on the acquisition date (January 1, 2022):

Assets:	
Cash	\$ 1,128,199
Accounts receivable	83,635
Prepaid expenses	5,845
Beneficial interest held in trusts	232,247
Property and equipment	<u>1,100,000</u>
Total Assets	\$ <u>2,549,926</u>
Liabilities:	
Accounts payable	\$ 2,782
Accrued payroll and related liabilities	<u>25,341</u>
Total Liabilities	\$ <u>28,123</u>
Net Assets:	
Net assets without donor restrictions	\$ 2,289,556
Net assets with donor restrictions	<u>232,247</u>
Total Net Assets	\$ <u>2,521,803</u>

22. Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. During 2022, the Organization reviewed and updated its program classifications to align to the current operations of the Organization. The update resulted in a change in the allocation of certain expenses. The Organization determined the appropriate response to the change was to recalculate and reclassify 2021 allocations using the current year methodology. The reclassifications had no impact on previously reported net assets.

23. Subsequent Events

Subsequent events have been evaluated through May 10, 2023, the date the consolidated financial statements were available to be issued.

WAYPOINT

Consolidated Schedule of Operating Expenses For the Year Ended December 31, 2022

	Family Preservation	Family Support	Runaway & Homeless Youth	Homecare	Advocacy	Camp	Total Program	Management and General	Fundraising	2022 Total
Salaries and wages	\$ 2,933,799	\$ 3,187,125	\$ 1,135,714	\$ 1,385,070	\$ 127,338	\$ -	\$ 8,769,046	\$ 1,441,503	\$ 508,864	\$ 10,719,413
Employee benefits	505,008	481,385	174,838	158,266	4,709	-	1,324,206	156,284	44,810	1,525,300
Retirement plan	29,154	39,168	11,168	10,704	1,840	-	92,034	20,467	8,898	121,399
Payroll taxes and other	298,323	323,621	107,985	134,635	9,505	-	874,069	112,764	39,253	1,026,086
Mileage reimbursement	197,673	93,924	26,602	41,762	185	-	360,146	9,703	1,747	371,596
Contracted services	35,039	222,122	339,713	9,155	42,550	-	648,579	370,654	160,215	1,179,448
Accounting	-	-	75	-	-	-	75	51,055	-	51,130
Assistance to individuals	324,486	374,691	400,529	349	-	16	1,100,071	717	50,017	1,150,805
Communications	63,406	51,845	50,477	17,468	1,136	12	184,344	32,935	12,811	230,090
Conferences, conventions, meetings	20,785	48,452	6,601	1,868	8,183	46,929	132,818	49,868	2,628	185,314
Depreciation	59,324	100,813	110,886	48,113	1,579	-	320,715	170,620	8,600	499,935
Insurance	30,297	22,469	22,800	3,272	713	-	79,551	15,794	2,532	97,877
Interest	44,070	74,891	67,022	35,742	1,173	-	222,898	22,106	6,388	251,392
Legal	-	1,656	-	-	-	388	2,044	16,617	-	18,661
Membership dues	825	7,870	13,656	5,704	50	-	28,105	26,169	2,437	56,711
Miscellaneous	9,455	21,098	6,366	1,156	-	-	38,075	34,413	8,675	81,163
Occupancy	242,992	148,368	285,994	50,155	1,259	4,229	732,997	54,952	11,895	799,844
Printing and publications	4,873	17,729	4,446	267	2,373	-	29,688	29,232	67,493	126,413
Rental and equipment maintenance	79,252	26,162	50,974	1,341	37	-	157,766	174,987	8,806	341,559
Supplies	23,140	62,896	50,656	6,989	134	77	143,892	12,963	2,740	159,595
Travel	3,534	4,195	12,819	65	5	-	20,618	13,017	10	33,645
Total	\$ 4,905,435	\$ 5,310,480	\$ 2,879,321	\$ 1,912,081	\$ 202,769	\$ 51,651	\$ 15,261,737	\$ 2,816,820	\$ 948,819	\$ 19,027,376

See Independent Auditor's Report.

WAYPOINT

Consolidated Schedule of Operating Expenses For the Year Ended December 31, 2021

	Family Preservation	Family Support	Runaway & Homeless Youth	Homecare	Advocacy	Camp	Total Program	Management and General	Fundraising	2021 Total
Salaries and wages	\$ 2,978,149	\$ 2,456,195	\$ 898,837	\$ 1,503,164	\$ 127,284	\$ -	\$ 7,963,629	\$ 1,305,839	\$ 380,802	\$ 9,650,270
Employee benefits	431,539	345,908	151,351	169,647	4,064	-	1,102,509	142,701	25,691	1,270,901
Retirement plan	22,971	22,722	8,334	6,321	2,119	-	62,467	33,340	5,807	101,614
Payroll taxes and other	288,915	244,674	86,915	155,905	9,485	-	785,894	69,615	29,747	885,256
Mileage reimbursement	130,106	35,970	20,697	46,632	-	-	233,405	3,250	18	236,673
Contracted services	42,954	324,479	518,896	3,177	14,700	1,488	905,694	314,483	89,140	1,309,317
Accounting	-	75	-	-	-	-	75	35,305	-	35,380
Assistance to Individuals	237,092	237,041	367,522	175	-	6,481	848,311	233	53,000	901,544
Communications	65,065	51,158	39,507	11,083	1,358	10	168,181	34,673	9,827	212,681
Conferences, conventions, meetings	15,296	48,188	2,745	638	1,834	-	68,701	27,937	4,189	100,827
Depreciation	48,057	85,009	114,362	13,857	4,128	-	265,413	185,336	7,960	458,709
Insurance	16,096	14,857	15,198	2,235	551	-	48,937	14,071	1,570	64,578
Interest	40,260	71,217	75,497	11,609	3,458	-	202,041	24,699	6,669	233,409
Legal	-	-	-	-	-	-	-	12,543	-	12,543
Membership dues	986	7,295	11,447	5,363	50	-	25,141	32,379	3,382	60,902
Miscellaneous	2,878	1,084	6,089	1,320	-	-	11,371	35,039	14,186	60,596
Occupancy	195,534	169,810	177,112	22,211	3,023	2,263	569,953	79,464	18,410	667,827
Printing and publications	4,714	12,627	945	1,228	227	-	19,741	12,631	38,481	70,853
Rental and equipment maintenance	58,792	25,045	6,617	272	-	-	90,726	144,596	12,362	247,684
Supplies	26,321	40,422	34,421	4,849	355	40	106,408	14,790	2,255	123,453
Travel	1,346	772	7,376	95	-	-	9,589	10,909	-	20,498
Total	\$ 4,607,071	\$ 4,194,548	\$ 2,543,868	\$ 1,959,781	\$ 172,636	\$ 10,282	\$ 13,488,186	\$ 2,533,833	\$ 703,496	\$ 16,725,515

See Independent Auditor's Report.

Waypoint Trustees 2023

Melissa Biron

Jennifer Cassin

William Conrad

Helen Crowe

Rob Dapice

Jane E. Gile, *Secretary*

Emily Hammond

Sudi Lett

Marc Lubelczyk

Marilyn T. Mahoney

Holly P. Mintz

Zach Palmer

Mark C. Rouvalis, *Chair*

Kyle Schofield

Jeffrey P. Seifert, *Treasurer*

Jennifer Stebbins, *Vice Chair*

Borja Alvarez de Toledo, M.Ed.

464 Chestnut St, Manchester, NH. 03105/ 603-782-6442
alvarezdetoledob@waypointnh.org

Professional Profile

- A seasoned leader with more than 18 years of senior level non-profit management experience.
- Strong business acumen with emphasis on developing processes to ensure the alignment of strategy, operations, and outcomes with a strength based approach to leadership development.
- Collaborative leader using systemic and strategic framework in program development, supervision and conflict resolution.

Professional Experience

Waypoint, formerly Child and Family Services of New Hampshire
Manchester, NH

December 2013- Present

~ President and CEO

- Responsible for program planning and development, insuring that Waypoint meets the community needs.
- Advance the public profile of Waypoint by developing innovative approaches and building productive relationships with government, regional and national constituencies.
- Acts as advisor to the Board of Directors and maintains relationships with the regional Boards
- Responsible for all aspects of financial planning, sustainability and oversight of Waypoint's assets
- Work with Development staff and Board of Directors to design and implement all fundraising activities, including cultivation and solicitation of key individuals, foundations and corporations

Riverside Community Care
Dedham, MA

2009- 2013

~ Division Director, Child and Family Services

- Responsible for strategic vision, planning and implementation of the programmatic, operational and financial sustainability of a \$17M division with more than 300 employees.
- In partnership with The Guidance Center, Inc.'s board of directors, played leadership role in successfully merging with Riverside Community Care, through a process that involved strategic planning, analysis and selection of a viable partner.
- Provide supervision to managers using a strength based approach and a collaborative coaching model to leadership development.

The Guidance Center, Inc.
Cambridge, MA

1998 - 2009

~ Chief Operating Officer

2007 - 2009

- Hired initially as Director of an intensive home-based family program and through successive promotions became responsible for all operations in the organization.
- Responsible for supervision of Division Directors, strategic planning and development of new initiatives.
- Developed strategic relationships with state and local funders, and partnered with community agencies to support the healthy growth of children and families.

Private Practice in Psychotherapy and Clinical Consultation
Madrid, Spain

1992 - 1998

Universidad Pontificia de Comillas
Madrid, Spain 1991 - 1998

~Adjunct Faculty

- Taught graduate level courses in Family and Couples Therapy program
- Practicum program supervisor: Supervised first year Master's Degree students through live supervision in the treatment of multi-problem families.

Centro Médico-Psicopedagógico
Madrid, Spain 1994 - 1997

~Clinical Coordinator/Director of Training.

- Member of a multi-disciplinary team that provided assessment and treatment to families victims of terrorism and had developed Post Traumatic Stress Disorder.

ITAD (Institute for Alcohol and Drug Treatment),
Madrid, Spain 1991- 1994

~ Senior Drug and Alcohol Counselor, Drug and Alcohol Program

- Provided evaluation and treatment for chemically dependent adults and their families.

~ Senior Family Therapist, Couples and Family Therapy Program

- Worked as a family therapist in the evaluation and treatment of adolescents and families.

Charles River Health Management
Boston, MA 1989 - 1991

~ Senior Family Therapist, Home Based Family Treatment Program.

Education

Graduate Certificate of Business

University of Massachusetts, Lowell, 2000.

Master's Degree in Education

Counseling Psychology Program. Boston University, 1989.

B.A. in Clinical Psychology

Universidad Pontificia de Comillas, Madrid, Spain. 1988

Publications

2009 Ayers, S & Alvarez de Toledo, B. Community Based Mental Health with Children and Families. In A. R. Roberts (Ed.), *Social Worker's Desk Reference* (2nd ed.), New York: Oxford University Press, 2009

2006 *Topical Discussion: Advancing Community-Based Clinical Practice and Research: Learning in the Field.* Presented at the 19th Annual Research Conference: A System of Care for Children's Mental Health: Expanding the Research Base, February 2006, Tampa, FL.

2001 Lyman, D.R.; Siegel, R.; Alvarez de Toledo, B.; Ayers, S.; Mikula, J. *How to be little and still think big: Creating a grass roots, evidence based system of care.* Symposium presented at the 14th Annual Research Conference in Children's Mental Health, Research and Training Center for Children's Mental Health, February 2001, Tampa, FL.

2006 Lyman, D.R., B. Alvarez de Toledo, *The Ecology of intensive community based intervention.* In Lightburn, A., P. Sessions. *Handbook of Community Based Clinical Practice.* Oxford University Press, 2006, England.

2001 Lyman, D.R., B. Alvarez de Toledo (2001) *Risk factors and treatment outcomes in a strategic intensive family program.* In Newman, .C, C. Liberton, K. Kutash and R. Friedman, (Eds.) *A System of Care for Children's Mental Health: Expanding the Research Base* (2002), pp. 55-58. Research and Training Center for Children's Mental Health, University of South Florida, Tampa, FL.

1994-98 Research papers and professional presentations in peer reviewed journals in Spain

Languages

Fluent in Spanish, French and Italian.

COLLEEN M. IVES

CHIEF OPERATING OFFICER

Proactive executive with a formidable record of driving systemic change and business expansion. Nimble administrator with strategic planning, business process improvement, cost controls and performance management experience. Collaborative leader with inspirational and decisive management style who achieves exceptional, rather than expected, results. Catalyst for open communications towards a climate of learning to benefit company and individuals.

PROFESSIONAL EXPERIENCE

WAYPOINT, Manchester, NH • 2018-Present

Statewide private nonprofit that works to advance the well-being of children and families through an array of community-based services.

Chief Operating Officer

- Oversees all aspects of program delivery including; fiscal and personnel management, quality assurance and program development

ROCKPORT MORTGAGE CORPORATION, Gloucester, MA • 2008-2017

Leading national lender of US Housing & Urban Development insured commercial loans in healthcare, multifamily and affordable housing sectors.

Vice President, Operations & Quality Control

- Report to principals with overall responsibility for achieving strategic objectives through oversight of the day-to-day operations of five multi-disciplinary underwriting teams by providing support at the transactional level as well as in the development of procedures and operating practices to match RMC's continued growth.
- Ensure RMC'S compliance with their federally mandated Quality Control Plan through employee development initiatives, monitoring of RMC'S operational practices while integrating new HUD directives into RMC'S existing best practices.

IVES DEVELOPMENT ASSOCIATES, Manchester, NH • 2005-2016

Consultancy providing strategic planning and leadership development to public, private and nonprofit companies throughout New England.

Principal

Design and facilitate customized corporate retreats, including strategic planning sessions, executive and Board of Directors' training and development, creation or re-affirmation of vision, mission and values and efforts to re-align leadership around key priorities and future direction of the organization. Integrate opportunities to shift organizational culture to more open and candid communications.

- Led an 18-month comprehensive change initiative that:
 - Resulted in the development of a transition plan for the assimilation of an Interim Executive Director including an operations plan that aimed to recalibrate the culture;
- Transformed climate of accountability for a \$55M client by implementing Balanced Scorecard strategic measurement system. Designed, coordinated and facilitated on-site internal and external analysis of 11 retail locations in 9 states, analyzing threats and weaknesses in business to build a platform for growth.

CAREER NOTE: Concurrent with consulting enterprise (2006 – 2010), designed and taught introductory and upper level psychology and sociology courses at Granite State College in Concord, Manchester and Portsmouth, New Hampshire.

GRANITE STATE INDEPENDENT LIVING, Concord, NH • 2001-2005

Statewide nonprofit offering long-term care, employment, transportation, advocacy, and other community-based services.

Acting Executive Director & Chief Operating Officer

Led internal operations, including service and program delivery, finance, human resources, fundraising and marketing. Transformed organization's culture by promoting a climate of excellence, systemic solutions and learning that benefited the organization and individual employees. Evaluated operational results and facilitated business processes and controls that promoted efficiency and internal information flow. Developed short- and long-range operating plans. Supported up to 14 management-level employees, staff of 90, and \$13M annual operating budget. Held complete performance management authority as well as autonomy to engage in private and state/federal contracts.

- Increased revenue by 78% with more effective grant administration, successful applications for new competitive grants, initiating a comprehensive development / fundraising plan, and increasing the fee-for-service lines of business.
- Increased consumers served from 400 to 3,000+ individuals within three-year period by restructuring existing programs, developing new programs and increasing program accountability with monthly management reports.
- Established foundation for 36-month capacity building plan to enhance infrastructure and overall operations by conducting full organizational audit and successfully presenting to Board of Directors.
- Expanded services and leveraged long-term grant opportunity through company acquisition. Successfully integrated organizational cultures and business practices, including human resource policies, management teams and compensation/benefits.
- Recommended, designed and implemented internal controls and operating procedures for all departments (Human Resources, Finance, Public Relations/ Development, Long-Term Care, Community Living and Employment Services).
- Increased efficiency, raised credibility of financial reporting and reduced headcount by implementing state of the art technology with expertise of retained IT consultant.

NEW HAMPSHIRE DEPARTMENT OF EDUCATION, VOCATIONAL REHABILITATION, SERVICES FOR BLIND AND VISUALLY IMPAIRED, Concord, NH • 1992-2000

Statewide organization providing Registry of Legal Blindness, Sight Services for Independent Living, Vocational Rehabilitation and a Business Enterprise program.

Statewide Director

Managed professional staff of 8 to deliver services that included 15 statewide rehabilitative support groups, career counseling and vending machine/food service enterprises in State and Federal buildings.

- Awarded \$1.2M 3-year federal grant to provide peer support services in 15 locations across the state
- Led Department to highest rank in standards and benchmarks among 7 other regional offices.
- Enhanced team atmosphere by integrating 4 distinct statewide programs into a cohesive unit.
- Cultivated relationships and formal partnerships with various stakeholders in the statewide network of social and human services and employment arenas.

EDUCATION

Doctorate in Human and Organizational Systems
Master of Arts in Human Development
Fielding Graduate University, Santa Barbara, California

Master of Arts/CAGS in Rehabilitation Counseling
Bachelor of Arts in Psychology and Philosophy
Assumption College, Worcester, Massachusetts

ERIN J. KELLY

EDUCATION

Union Institute and University - Vermont College, Brattleboro, Vermont
2004-2006 Master of Arts, Psychology and Counseling

Gordon College - Wenham, Massachusetts
1997-2001 Bachelor of Arts, Psychology
1997-2001 Bachelor of Arts, Youth Ministry

LICENSE

Board of Mental Health Practice State of New Hampshire,
Licensed Clinical Mental Health Counselor, License # 722

PROFESSIONAL APPOINTMENTS/MEMBERSHIPS/ACCOMPLISHMENTS

- 2018-Present New Hampshire Interagency Council on Homelessness – Governor appointed
- 2017-Present Co-Chair New Hampshire Homeless Youth Subcommittee
- 2016 Workshop Presenter National Runaway and Homeless Youth Grantee's Conference
- 2016 United States Family and Youth Services Bureau Enhancing Sustainability Project Member
- 2015-2018 New Hampshire Attorney General's Task Force on Abuse and Neglect
- 2014-Present New Hampshire's Human Trafficking Collaborative Task Force
- 2010-Present New Hampshire Balance of State Continuum of Care
- 2008-2017 New Hampshire Homeless Teen Task Force
- 2008-Present Manchester Continuum of Care (Chair since 2016)
- 2012-2014 New Hampshire Attorney General's Commission on Human Trafficking and Sexual Exploitation – representative of youth services
- 2011-2013 New Hampshire State Suicide Prevention Council – Governor appointed representative of youth services
- 2012 United States Family and Youth Services Bureau Focus Group on Runaway and Homeless Youth Program Outcomes – Regional representative
- 2010-2012 New Hampshire HIV and STD Division Community Planning Group – representative of youth services
- 2008-2011 New Hampshire Alcohol, Tobacco, and other Drug Service Providers Association – representative of youth prevention services

PROFESSIONAL EXPERIENCE

January 2014-Present
Program Director – Waypoint (formerly Child and Family Service of New Hampshire),
Manchester, NH

- Direct the operations of the Human Trafficking Program (started in 2016)

Erin J. Kelly

- Direct the operations of the continuum of programs serving runaway and homeless youth including Basic Center Programs, Street Outreach Programs, Drop-in Services, Transitional Living Programs, and Maternity Group Home Programs statewide.
- Provide all administrative and clinical supervision for Program Managers.
- Provide oversight for a staff of 20.
- Develop and implement strategic plan for all programs including facilitating staff participation, presenting to agency operations team, incorporating feedback, and identifying and bringing to fruition prioritized goals
- Oversee local, state, and federal grant applications, reporting and contracts
- Develop and manage program budgets
- Provide program evaluation and outcome data

February 2010-January 2014

Program Manager - Child and Family Services of New Hampshire, Manchester, NH

- Manage the day-to-day operations of programs serving runaway and homeless youth including 2 Basic Center Programs, 2 Street Outreach Programs, and a drop-in facility.
- Provide all administrative and clinical supervision for staff of ten
- Develop and implement strategic plan for all programs including facilitating staff participation, presenting to agency operations team, incorporating feedback, and identifying and bringing to fruition prioritized goals
- Facilitate the professional growth of staff by providing guidance around goal development and relevant learning opportunities
- Oversee local, state, and federal grant applications, reporting and contracts
- Develop and manage program budgets
- Provide program evaluation and outcome data

November 2008-February 2010

Runaway and Homeless Youth Program & Student Assistance Program Supervisor - Child and Family Services of NH, Manchester, NH

- Supervised the day-to-day operations of a substance use prevention program in four high schools.
- Provided administrative and clinical supervision for staff of four
- Established and maintained relationships with community organizations, key partners, and school department administration
- Completed proposals and reports for all federal grants and state contracts
- Provided evaluation from an evidence-based intervention perspective

July 2006-November 2008

Home-Based Family Therapist - Child & Family Services of NH, Manchester, NH

- Provided court-ordered family counseling services and case management to families involved with the juvenile justice system or child protective services
- Advocated for youth and families in the educational system, court setting, and within community services
- Provided referrals for relevant community services when appropriate
- Developed and implemented client-centered treatment plans to address youth and family functioning and maintained on-going documentation to measure progress

Recent trainings & certifications, transcripts, job reviews, and references available upon request.

Erin J. Kelly

- Developed and implemented individual treatment plans
- Assessed client's needs, performed research relevant to best practice strategies for service needs, and worked with clients to incorporate services that accomplished goals
- Maintained clear and concise documentation of client's progress

May 2002-August 2002

Relief Youth Care Worker - Rumford Group Home, Inc., Roy House, Dixfield, ME

- Provided direct care of sexual reactive males ages 7-12 who resided in residential setting
- Built therapeutic, healthy, and professional relationships with the males in the program
- Role-modeled appropriate and healthy hygiene, interactions, touch, and coping strategies
- Guided youth to participate in program and work on individual treatment goals

May 2001-August 2002

Crisis Stabilization Youth Worker - Rumford Group Home, Inc.

Turner Family Support center, Turner, ME

- Provided direct care of youth ages 5-17 residing in short-term, crisis residential facility
- Screened referrals for participation in the program
- Provided strength-based emotional support and informal counseling to youth ages 5-17
- Performed clear and concise documentation of observed behaviors, medications administered, eating and sleeping patterns, strengths, skills, and the progress of each youth on a daily basis
- Developed and implemented individual treatment plans for youth in the program

Recent trainings & certifications, transcripts, job reviews, and references available upon request.

Waypoint Key Personnel

Name	Title	Salary	% charged
			to this Grant
Borja Alvarez de Toledo	CEO	195,000	0%
Colleen Ives	COO	146,057	0%
Erin George-Kelly	Director	87,880	0%