

ARC

53



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

Lori A. Weaver
Commissioner

Katja S. Fox
Director

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9544 1-800-852-3345 Ext. 9544
Fax: 603-271-4332 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

May 7, 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** amendment to an existing contract with The Granite Young Men's Christian Association (VC #154139), Manchester, NH, to continue providing a physical fitness and wellness reimbursement benefit program for active NH military personnel and their families by exercising a contract renewal option, by increasing the price limitation by \$400,000 from \$400,000 to \$800,000 and by extending the completion date from June 30, 2024 to June 30, 2025, effective July 1, 2024, upon Governor and Council approval. 100% Other Funds (Governor Commission Fund).

The original contract was approved by Governor and Council on August 23, 2023, (item #27).

Funds are available in the following account for State Fiscal Year 2025, with the authority to adjust budget line items within the price limitation through the Budget Office, if needed and justified.

05-95-92-920510-33820000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION FOR BEHAVIORAL HEALTH, BUREAU OF DRUG AND ALCOHOL, GOVERNOR COMMISSION 100% Other Funds (Governor Commission Fund)

State Fiscal Year	Class / Account	Class Title	Job Number	Current Budget	Increased (Decreased) Amount	Revised Budget
2024	102/500731	Contracts for Prog Svc	92058501	\$400,000	\$0	\$400,000
2025	102/500731	Contracts for Prog Svc	92058501	\$0	\$400,000	\$400,000
			Total	\$400,000	\$400,000	\$800,000

EXPLANATION

The Department is exercising an available option to renew this contract. This request is **Sole Source** because MOP 150 requires all amendments to agreements originally approved as sole source to be identified as sole source. The Department is implementing the funding actions recommended and approved, on December 15, 2023, by the Governor's Commission on Alcohol and Other Drugs. The Department carries out the administrative functions of the Commission in

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
Page 2 of 2

accordance with RSA 12-J. The Contractor is able to provide this physical fitness and wellness program to military personnel and their families due to the presence of its member organizations and extensive history of serving military personnel throughout the state.

The purpose of this request is for the Contractor to continue providing a physical fitness and wellness reimbursement program for active NH military personnel who otherwise would not have the benefit. Rigorous schedules and frequent deployment can add stressors to the lives of New Hampshire military personnel resulting in behavioral health condition such as depression, anxiety and substance misuse.

Studies indicate that active military personnel and veterans face unique stressors and often do not seek help for behavioral health issues due to stigma and shame. According to the National Institute on Drug Abuse, the binge drinking rate is high among military personnel 18 to 25 years of age as compared to the general population. Physical activity and wellness programs have been proven to help mitigate stress and increase overall physical and behavioral health.

Approximately 1,575 individuals will be served during State Fiscal Year 2025. To date over 900 individuals have been served by this program.

The Department will continue to monitor services through the review of quarterly reports to ensure contract deliverables are met.

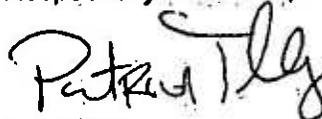
As referenced in Exhibit A, Revisions to Standard Agreement Provisions, of the original agreement, the parties have the option to extend the agreement for up to five (5) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval. The Department is exercising its option to renew services for one (1) Year of the five (5) Years available.

Should the Governor and Council not authorize this request, active NH military personnel may not have access to a program that supports their wellbeing and reductions in stress levels and use of unhealthy coping mechanisms, including substance misuse.

Area served: Statewide.

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

Respectfully submitted,



f
Lori A. Weaver
Commissioner

**State of New Hampshire
Department of Health and Human Services
Amendment #1**

This Amendment to the Physical Fitness and Wellness Reimbursement Benefit for Active NH Military Personnel and their Families contract is by and between the State of New Hampshire, Department of Health and Human Services ("State" or "Department") and The Granite Young Men's Christian Association ("the Contractor").

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on August 23, 2023 (Item #27), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

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

1. Form P-37 General Provisions, Block 1.7, Completion Date, to read:
June 30, 2025
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$800,000
3. Modify Exhibit C, Payment Terms, Section 3, to read:
 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 Sheet through Exhibit C-2 Budget Sheet, Amendment #1.
4. Add Exhibit C-2, Budget Sheet, Amendment #1, which is attached hereto and incorporated by reference herein.

DS
MS

All terms and conditions of the Contract not modified by this Amendment remain in full force and effect. This Amendment shall be effective July 1, 2024, upon Governor and Council approval.

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

State of New Hampshire
Department of Health and Human Services

5/31/2024

Date

DocuSigned by:

Katja S. Fox

2A0FEC7D81684F3...

Name: Katja S. Fox

Title: Director

The Granite Young Men's Christian Association

5/31/2024

Date

DocuSigned by:

Michele Sheppard

FBF1A625A27142B

Name: Michele Sheppard

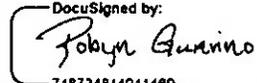
Title: CEO

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

OFFICE OF THE ATTORNEY GENERAL

5/31/2024

Date

DocuSigned by:

748734844941400...
Name: Robyn Guarino
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

Exhibit C-2 Budget Sheet, Amendment #1

SS-2024-DBH-25-PHYSI-01-A01

New Hampshire Department of Health and Human Services	
Contractor Name: <i>The Granite Young Men's Christian Association</i>	
Budget Request for: <i>Physical Fitness & Wellness Reimbursement Benefit Program</i>	
Budget Period: <i>July 1, 2024 through June 30, 2025 (SFY 2025)</i>	
Indirect Cost Rate (if applicable): <i>1.17%</i>	
Line Item	Program Cost - Funded by DHHS
1. Salary & Wages	\$26,000
2. Fringe Benefits	\$6,500
3. Consultants	\$3,500
4. Equipment Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	
5.(a) Supplies - Educational	
5.(b) Supplies - Lab	\$250
5.(c) Supplies - Pharmacy	
5.(d) Supplies - Medical	
5.(e) Supplies Office	
6. Travel	
7. Software	
8. (a) Other - Marketing/ Communications	
8. (b) Other - Education and Training	
8. (c) Other - Other (specify below)	
Marketing	\$2,400
Wellness Reimbursement	\$358,712
Other (please specify)	
Other (please specify)	
9. Subrecipient Contracts	
Total Direct Costs	\$395,982
Total Indirect Costs	\$4,638
TOTAL	\$400,000

Contractor Initials ALS
 Date 5/31/2024

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 THE GRANITE YOUNG MEN'S CHRISTIAN ASSOCIATION is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 09, 1896. 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: 61724

Certificate Number: 0005833596



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 21st day of July A.D. 2022.

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

David M. Scanlan
Secretary of State

CERTIFICATE OF AUTHORITY

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

1. I am a duly Officer of The Granite Young Men's Christian Association
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on May 25, 2021, at which a quorum of the Directors/shareholders were present and voting.
(Date)

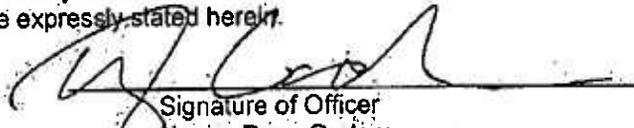
VOTED: Michele Sheppard, Chief Executive Officer (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of The Granite Young Men's Christian Association to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

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

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

Dated: 5-29-24



Signature of Officer
Name: Ryan Gadow
Title: Chief Operating Officer

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
5/29/2024

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

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

PRODUCER USI Insurance Services LLC 3 Executive Park Drive, Suite 300 Bedford, NH 03110 855 874-0123	CONTACT NAME: Linda Jaeger, CIC PHONE (A/C, No, Ext): 855 874-0123 FAX (A/C, No):
	E-MAIL ADDRESS: linda.jaeger@usi.com
INSURED The Granite YMCA 670 N. Commerical St., Suite 103 Manchester, NH 03101	INSURER(S) AFFORDING COVERAGE
	INSURER A: Philadelphia Indemnity Insurance Co.
	INSURER B: Granite State Healthcare & Human Svc WC
	INSURER C:
	INSURER D:
	INSURER E:

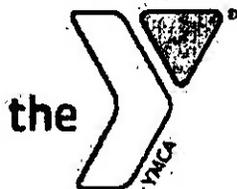
COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	X X	PHPK2557788	06/01/2024	06/01/2025	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 - COMPOP AGG \$3,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY	X X	PHPK2557791	06/01/2024	06/01/2025	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 \$10K	X X	PHUB865168	06/01/2024	06/01/2025	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N N/A	HCHS20240000574 3A States: NH	01/01/2024	01/01/2025	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	Professional Liability		PHPK2557788	06/01/2024	06/01/2025	\$1,000,000 Ea. Incident \$3,000,000 Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Additional Insured Status is provided only when required by a written contract.

CERTIFICATE HOLDER State of NH Dept., of Health & Human Services 129 Pleasant Street Concord, NH 03301-3857	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 



Mission Statement:

The Granite YMCA creates a community where all are welcome and builds a healthy spirit, mind and body based on the values of caring, honesty, respect, and responsibility.

**FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY**

**THE GRANITE YMCA
ASSOCIATION OFFICE**
670 North Commercial Street
Manchester, NH 03101
P 603.782.2801
F 603.792.0011
www.graniteymca.org

**YMCA OF DOWNTOWN
MANCHESTER**
30 Mechanic Street
Manchester, NH 03101
P 603.623.3558
F 603.623.5934
www.graniteymca.org/manchester

**YMCA ALLARD CENTER
OF GOFFSTOWN**
115 Goffstown Back Road
Goffstown, NH 03045
P 603.497.4663
F 603.497.4837
www.graniteymca.org/goffstown

**YMCA OF GREATER
LONDONDERRY**
206 Rockingham Road
Londonderry, NH 03053
P 603.437.9622
F 603.437.1169
www.graniteymca.org/londonderry

YMCA OF STRAFFORD COUNTY
35 Industrial Way
Rochester, NH 03867
P 603.332.7334
F 603.332.7349
www.graniteymca.org/rochester

YMCA OF THE SEACOAST
550 Peverly Hill Road
Portsmouth, NH 03801
P 603.431.2334
F 603.431.1314
www.graniteymca.org/portsmouth

YMCA OF CONCORD
15 North State Street
Concord, NH 03301
P 603.228.9622
F 603.228.5352
www.graniteymca.org/concord

YMCA CAMPING SERVICES
Camp Mi-To-Na For Boys
Camp Foss for Girls
P 603.232.8542
www.campmitena.org
www.campfoss.org

THE GRANITE YMCA
FINANCIAL STATEMENTS
MAY 31, 2022

TABLE OF CONTENTS

Independent auditor's report.....	1
Statements of financial position.....	4
Statements of activities.....	5
Statement of functional expenses.....	7
Statements of cash flows.....	8
Notes to financial statements.....	9



HESSION & PARE, PC.
CERTIFIED PUBLIC ACCOUNTANTS
62 Stark Street, Manchester, New Hampshire 03101
603-669-5477 FAX 603-669-0197

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
The Granite YMCA

Opinion

We have audited the accompanying financial statements of The Granite YMCA (a nonprofit organization), which comprise the statement of financial position as of May 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Granite YMCA as of May 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. 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 The Granite YMCA 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

**Board of Trustees
The Granite YMCA**

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Granite YMCA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 The Granite YMCA'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Granite YMCA's ability to continue as a going concern for a reasonable period of time.

Board of Trustees
The Granite YMCA

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 The Granite YMCA's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 19, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Manchester, New Hampshire
October 20, 2022.

Hessman, Paerpc

THE GRANITE YMCA
STATEMENTS OF FINANCIAL POSITION

As of May 31, 2022 and 2021

ASSETS	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 7,781,472	\$ 5,098,834
Restricted cash	45,902	43,400
Accounts receivable	394,944	2,037,484
Pledges receivable, net	100,793	139,701
Prepaid expenses and other assets	<u>237,874</u>	<u>154,605</u>
Total current assets	8,560,985	7,474,024
Investments, at fair value	14,732,557	15,421,940
Long-term pledges receivable, less current portion	259,912	160,550
Work in progress	248,026	-
Property, plant and equipment, net	16,001,946	13,613,162
Cash surrender value of life insurance policy	22,170	-
Beneficial interest in trusts	<u>2,322,308</u>	<u>1,866,612</u>
Total assets	<u>\$ 42,147,904</u>	<u>\$ 38,536,288</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 423,232	\$ 499,020
Accrued expenses	417,529	272,345
Deferred revenue	3,365,720	2,799,687
Grant obligation	608,130	-
Current portion of long-term debt	<u>437,488</u>	<u>2,531,763</u>
Total current liabilities	5,252,099	6,102,815
Long-term debt, net of current portion and unamortized deferred financing costs	4,029,410	3,830,855
Long-term interest rate swap	<u>92,192</u>	<u>198,939</u>
Total liabilities	<u>9,373,701</u>	<u>10,132,609</u>
Net assets		
Without donor restrictions		
Undesignated	13,408,047	10,483,860
Board-designated	<u>6,692,573</u>	<u>6,884,345</u>
Total without donor restrictions	20,100,620	17,368,205
With donor restrictions		
Restricted by purpose or time	6,240,809	4,695,321
Restricted in perpetuity	<u>6,432,774</u>	<u>6,340,153</u>
Total with donor restrictions	12,673,583	11,035,474
Total net assets	<u>32,774,203</u>	<u>28,403,679</u>
Total liabilities and net assets	<u>\$ 42,147,904</u>	<u>\$ 38,536,288</u>

See notes to financial statements.

THE GRANITE YMCA
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities			
Public support			
Annual campaign income	\$ 710,532	\$ -	\$ 710,532
Government subsidies	2,181,243	2,412,085	4,593,328
Grant income	450,454	104,641	555,095
In-kind contributions	148,099	-	148,099
United Way allocation	239,902	-	239,902
Net assets released from restrictions - operating activities	1,734,156	(1,734,156)	-
Total public support	<u>5,464,386</u>	<u>782,570</u>	<u>6,246,956</u>
Revenue			
Program and camp fees	12,719,754	-	12,719,754
Membership dues	4,275,756	-	4,275,756
Less financial assistance	(1,336,227)	-	(1,336,227)
Net program, camp fees & membership dues	<u>15,659,283</u>	<u>-</u>	<u>15,659,283</u>
Merchandise sales	151,393	-	151,393
Rental income	206,547	-	206,547
Investment income, endowment appropriation	-	382,432	382,432
Total revenue	<u>16,017,223</u>	<u>382,432</u>	<u>16,399,655</u>
Total public support and revenue	<u>21,481,609</u>	<u>1,165,002</u>	<u>22,646,611</u>
Expenses			
Program services			
Youth development	14,440,955	-	14,440,955
Healthy living	3,951,219	-	3,951,219
Social responsibility	952,226	-	952,226
Total program services	<u>19,344,400</u>	<u>-</u>	<u>19,344,400</u>
Supporting services			
Fundraising	431,628	-	431,628
Management	1,141,916	-	1,141,916
Total supporting services	<u>1,573,544</u>	<u>-</u>	<u>1,573,544</u>
Total expenses	<u>20,917,944</u>	<u>-</u>	<u>20,917,944</u>
Increase in net assets from operations	<u>563,665</u>	<u>1,165,002</u>	<u>1,728,667</u>
Non-operating activities			
Net assets released from restrictions - capital expenditures	204,692	(204,692)	-
Contributions for capital assets	-	404,644	404,644
Government grants for capital assets	-	150,039	150,039
Contribution for endowment	-	92,569	92,569
Investment income, net of endowment appropriation	(286,902)	(951,269)	(1,238,171)
Change in beneficial interest in trust, net of allowance	9,805	(68,753)	(58,948)
Unrealized gain on carrying value of interest rate swap contract	106,747	-	106,747
Other	(10,735)	-	(10,735)
Total non-operating activities	<u>23,607</u>	<u>(577,462)</u>	<u>(553,855)</u>
Increase in net assets before acquisition	<u>587,272</u>	<u>587,540</u>	<u>1,174,812</u>
Income from acquisition	<u>2,145,143</u>	<u>1,050,569</u>	<u>3,195,712</u>
Increase in net assets	<u>2,732,415</u>	<u>1,638,109</u>	<u>4,370,524</u>
Net assets, beginning of year	<u>17,368,205</u>	<u>11,035,474</u>	<u>28,403,679</u>
Net assets, end of year	<u>\$ 20,100,620</u>	<u>\$ 12,673,583</u>	<u>\$ 32,774,203</u>

THE GRANITE YMCA
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities			
Public support			
Annual campaign income	\$ -	\$ 727,880	\$ 727,880
Government subsidies	-	4,172,596	4,172,596
Grant income	-	807,975	807,975
In-kind contributions	59,634	-	59,634
United Way allocation	-	434,406	434,406
Net assets released from restrictions - operating activities	6,174,577	(6,174,577)	-
Total public support	6,234,211	(31,720)	6,202,491
Revenue			
Program and camp fees	6,567,769	-	6,567,769
Membership dues	2,825,621	-	2,825,621
Less financial assistance	(947,809)	-	(947,809)
Net program, camp fees & membership dues	8,445,581	-	8,445,581
Merchandise sales	39,702	-	39,702
Rental income	201,520	-	201,520
Investment income, endowment appropriation	2,517	311,900	314,417
Total revenue	8,689,320	311,900	9,001,220
Total public support and revenue	14,923,531	280,180	15,203,711
Expenses			
Program services			
Youth development	9,632,404	-	9,632,404
Healthy living	3,086,477	-	3,086,477
Social responsibility	1,108,548	-	1,108,548
Total program services	13,827,429	-	13,827,429
Supporting services			
Fundraising	334,219	-	334,219
Management	942,670	-	942,670
Total supporting services	1,276,889	-	1,276,889
Total expenses	15,104,318	-	15,104,318
(Decrease) increase in net assets from operations	(180,787)	280,180	99,393
Non-operating activities			
Net assets released from restrictions - capital expenditures	117,500	(117,500)	-
Contributions for capital assets	-	284,159	284,159
Contribution for endowment	-	28,585	28,585
Investment income, net of endowment appropriation	1,292,948	1,493,305	2,786,253
Change in beneficial interest in trust, net of allowance	-	301,257	301,257
Unrealized gain on carrying value of interest rate swap contract	76,149	-	76,149
Other	1,889,821	-	1,889,821
Total non-operating activities	3,376,418	1,989,806	5,366,224
Increase in net assets	3,195,631	2,269,986	5,465,617
Net assets, beginning of year	14,172,574	8,765,488	22,938,062
Net assets, end of year	\$ 17,368,205	\$ 11,035,474	\$ 28,403,679

See notes to financial statements.

THE GRANITE YMCA

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended May 31, 2022
(with comparative totals for the Year Ended May 31, 2021)

Expenses	Youth	Healthy	Social	Total Program	Fundraising	Management	Total Support	2022	2021
	Development	Living	Responsibility	Services			Services		
Salaries	\$ 8,186,500	\$ 1,989,108	\$ 495,877	\$ 10,671,485	\$ 279,526	\$ 613,130	\$ 892,656	\$ 11,564,141	\$ 8,292,860
Benefits	884,874	230,700	74,107	1,189,681	31,257	79,290	110,547	1,300,228	897,702
Payroll taxes	741,143	176,316	43,705	961,164	22,615	47,470	70,085	1,031,249	739,962
Total salaries and related expenses	9,812,517	2,396,124	613,689	12,822,330	333,398	739,890	1,073,288	13,895,618	9,930,524
Occupancy costs	1,501,583	654,152	71,048	2,226,783	7,652	85,870	93,522	2,320,305	1,690,889
Supplies	739,303	77,589	160,137	977,029	25,017	37,728	62,745	1,039,774	970,318
Contract services	266,338	65,188	26,400	357,926	13,826	114,471	128,297	486,223	283,985
Information technology	106,680	39,952	11,852	158,484	5,456	83,560	89,016	247,500	228,167
Insurance	174,110	47,295	13,536	234,941	227	3,472	3,699	238,640	184,019
Interest	128,157	49,426	42	177,625	19	294	313	177,938	164,026
Promotion and printing	168,812	109,441	166	278,419	22,894	1,171	24,065	302,484	149,594
Fair share dues	196,449	27,141	8,229	231,819	966	142	1,108	232,927	131,387
Telephone and postage	119,519	30,829	2,295	152,643	6,344	6,979	13,323	165,966	109,466
Conferences and training	112,635	33,941	4,969	151,545	7,034	14,696	21,730	173,275	68,669
Transportation	98,430	169	1,501	100,100	-	-	-	100,100	34,687
Legal and audit	40,828	13,385	4,536	58,747	-	31,982	31,982	90,729	31,026
Merchandise sales	71,529	6,026	-	77,555	-	-	-	77,555	21,188
Dues	14,035	1,928	328	16,291	3,254	2,314	5,568	21,859	14,217
Campaign expense	2,890	1,243	-	4,133	5,541	-	5,541	9,674	669
Total expenses before depreciation and amortization	13,553,815	3,553,827	918,728	18,026,370	431,628	1,122,569	1,554,197	19,580,567	14,012,831
Depreciation and amortization	887,140	397,392	33,498	1,318,030	-	19,347	19,347	1,337,377	1,091,487
Total expenses	\$ 14,440,955	\$ 3,951,219	\$ 952,226	\$ 19,344,400	\$ 431,628	\$ 1,141,916	\$ 1,573,544	\$ 20,917,944	\$ 15,104,318

See notes to financial statements.

THE GRANITE YMCA

STATEMENTS OF CASH FLOWS

For the Years Ended May 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Changes in net assets	\$ 4,370,524	\$ 5,465,617
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	1,337,377	1,091,487
Net realized and unrealized loss (gain) on investments	1,077,503	(2,915,483)
Unrealized (gain) on interest rate swap contract	(106,747)	(76,149)
Net realized and unrealized (gain) on beneficial interest	(455,696)	(301,257)
Contributions restricted for endowment	(92,569)	(28,585)
Contributions restricted for capital assets	(404,644)	(284,159)
Grants restricted for capital assets	(150,039)	-
Change in operating assets and liabilities		
Accounts receivable	1,642,540	(1,940,724)
Prepaid expenses and other assets	(83,269)	4,979
Pledges receivable	(60,454)	(38,217)
Accounts payable and accrued expenses	69,396	274,255
Deferred revenue	566,033	472,462
Net cash provided by operating activities	<u>7,709,955</u>	<u>1,724,226</u>
Cash flows from investing activities		
Purchases of investments	(3,871,729)	(2,936,193)
Proceeds from sale of investments	3,483,609	3,036,838
Work in progress	(248,026)	-
Purchases of property, plant and equipment	(3,714,284)	(1,321,961)
Purchases of cash surrender value of life insurance policy	(22,170)	-
Net cash used in investing activities	<u>(4,372,600)</u>	<u>(1,221,316)</u>
Cash flows from financing activities		
Cash contributions restricted for endowment	92,569	28,585
Cash contributions restricted for capital assets	404,644	284,159
Cash grants restricted for capital assets	150,039	-
Borrowing on grant obligations	650,230	-
Forgiveness of grant obligations	(42,100)	-
Borrowing on loans	712,691	3,045,000
Principal payments of loans	(2,455,288)	(2,315,023)
Principal payments of bond payable	(165,000)	(160,000)
Net cash (used in) provided by financing activities	<u>(652,215)</u>	<u>882,721</u>
Increase in cash and cash equivalents	2,685,140	1,385,631
Cash and cash equivalents, beginning of year	<u>5,142,234</u>	<u>3,756,603</u>
Cash and cash equivalents, end of year	<u>\$ 7,827,374</u>	<u>\$ 5,142,234</u>

See notes to financial statements.

THE GRANITE YMCA

STATEMENTS OF CASH FLOWS (concluded)

For the Years Ended May 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Supplemental disclosure of cash flows information		
Interest paid in cash	<u>\$ 177,937</u>	<u>\$ 164,026</u>
Schedule of noncash investing and financing activities		
Fair value of donated assets	<u>\$ 98,946</u>	<u>\$ 51,134</u>
Debt to finance acquisition of assets	<u>\$ -</u>	<u>\$ 900,000</u>
Debt assumed upon acquisition	<u>\$ 2,051,947</u>	<u>\$ -</u>
Assets assumed upon acquisition	<u>\$ 5,247,659</u>	<u>\$ -</u>
Forgiveness of Paycheck Protection Program loan	<u>\$ 2,145,600</u>	<u>\$ -</u>

See notes to financial statements.

THE GRANITE YMCA

NOTES TO FINANCIAL STATEMENTS

Note 1. NATURE OF OPERATIONS

Description of organization

The Granite YMCA (the "YMCA") creates a community where all are welcome, and builds a healthy spirit, mind and body based on the values of caring, honesty, respect and responsibility. This includes advancing our cause of strengthening community through youth development, healthy living and social responsibility. The YMCA is a powerful association of men, women and children committed to bringing about lasting personal and social change. With a focus on nurturing the potential of every child and teen, improving the nation's health and well-being and providing opportunities to give back and support neighbors, the YMCA enables youth, adults, families and communities to be healthy, confident, connected and secure.

Branches of The Granite YMCA include the YMCA of Downtown Manchester, Concord Family YMCA, YMCA Allard Center in Goffstown, YMCA of Strafford County in Rochester, YMCA of Greater Londonderry, YMCA of the Seacoast in Portsmouth and YMCA Camping Services, which include Camp Foss and Camp Mi-Te-Na.

Program activities

- **Youth Development:** The YMCA is committed to nurturing the potential of every child and teen. We believe that all kids deserve the opportunity to discover who they are and what they can achieve. That is why we help young people cultivate the values, skills and relationships that lead to positive behaviors, better health and educational achievement. The YMCA programs, such as resident camps Mi-Te-Na and Foss and our wide variety of day camps, offer a range of experiences that enrich cognitive, social, physical and emotional growth. (Examples of youth development programs: child care, resident camps, traditional and specialty day camp programs, gymnastics, swimming, teen center and other youth programming.)
- **Healthy Living:** The YMCA is a leading voice on health and well-being. We bring families closer together, encourage good health and foster connections through fitness, sports, fun and shared interests. As a result, people in our community are receiving the support, guidance and resources they need to achieve greater health in spirit, mind and body. This is particularly important as our nation struggles with an obesity crisis, families struggle with work/life balance and individuals search for personal fulfillment. (Examples of healthy living programs: group wellness classes for youth and adults, programs for cancer survivors, diabetes prevention, youth obesity programs, health screening, yoga and other recreational activities and social groups.)

THE GRANITE YMCA

NOTES TO FINANCIAL STATEMENTS

Note 1. NATURE OF OPERATIONS (concluded)

- **Social Responsibility:** The YMCA believes in giving back and supporting our neighbors. We have been listening and responding to our community's most critical social needs. Programs such as the Support, Training and Adventure for Youth program (STAY), START, STRIVE and Power Scholars programs are designated to serve youth that may be "at risk" for a variety of reasons. The STAY program works with middle school age youth within the school and provides support, tutoring and adventure for youth. The START program is located within two Manchester inner city school districts and provides a place for school age children to go after school, at reduced rates, to participate in structured academic activities and for daily, nutritious snacks. STRIVE serves those middle school/high school students that have been suspended or expelled from school; they come to the YMCA during the time they are not allowed in school. Here they receive tutoring and life skills education. The Power Scholars Academy is a six-week summer learning loss prevention program provided to Manchester middle school students who are seeking enrichment and academic support to improve their school performance. These are examples of how we deliver training, resources and support that empower our communities to affect change, bridge gaps and overcome obstacles. We engage YMCA members, participants and volunteers in activities that strengthen our community and pave the way for future generations to thrive.

As part of our mission, our programs are accessible, affordable and open to all faiths, backgrounds, abilities and income levels. We provide financial assistance to people who otherwise may not have been able to afford to participate.

Supporting services consist of the following:

- **Fundraising** – includes costs associated with the annual Reach Out for Youth and Families fundraising campaigns, capital campaign, grant writing and special events which provide funding for YMCA financial assistance for memberships, summer camp, child care and a host of other enriching activities.
- **Management** – provides necessary support services such as institutional leadership, budget and accounting control, personnel administration, facility planning, establishment of institutional policies, board liaison, information technology coordination, public information services, and membership services.

THE GRANITE YMCA

NOTES TO FINANCIAL STATEMENTS

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting:

The financial statements of the YMCA have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation

The YMCA records resources for accounting and reporting purposes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated net assets for an operating reserve and board-designated endowment from net assets without donor restrictions.

Net assets with donor restrictions – Net assets subject to donor-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 those resources be maintained in perpetuity.

Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Operating activities

Operating activities reflect all transactions increasing or decreasing net assets except those items associated with long-term investment, such as contributions for endowment and facilities and equipment, investment returns in excess of amounts designated for current operations and changes in the fair value of the interest rate swap.

THE GRANITE YMCA**NOTES TO FINANCIAL STATEMENTS****Note 2. SIGNIFICANT ACCOUNTING POLICIES (continued)****Accounting estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent matters at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Revenue recognition

The YMCA has multiple revenue streams that are accounted for as reciprocal exchange transactions, including membership and program fees, residence program and related services, and government contract revenues.

Because the YMCA's performance obligations relate to contracts with a duration less than one year, the YMCA has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a), *Revenue from Contracts with Customers*, and therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components.

Membership dues and program fees: Membership dues and program fees consist of amounts that families and individuals pay to participate in health, fitness, education and recreation activities and programs. Members generally pay a onetime joining fee plus monthly dues in advance. Memberships provide use of the recreation facilities, access to free classes, programs and activities, and discounts to fee-based programs. The YMCA offers a variety of programs including family, child care, day camp, resident camp, teen, scholastic, fitness, aquatics, health immigration, and international services. Fee-based programs are available to the public. Program fees for short duration programs of two months or less, such as aquatics classes, are typically paid in advance at the time of registration. Program fees for longer duration programs, such as fee-based childcare, are usually paid monthly in advance. Cancellation provisions vary by program, but most transactions are cancellable with 15 to 30 days' notice. Refunds may be available for services not provided. Financial assistance is available to members and program participants. Such financial assistance is reflected as a reduction of gross membership dues and program fees.

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Membership dues and program fees are recognized ratably over the period the membership or program service is provided on a straight-line basis in an amount that reflects the consideration the YMCA expects to be entitled to in exchange for those services. All the YMCA's revenue from contracts with customers are from performance obligations satisfied over time. Prices are specific to a distinct performance obligation and do not consist of multiple transactions. Membership joining fees are ratably recognized over a one-year period from the membership start date.

Membership dues and program fees paid to the YMCA in advance represent contract liabilities and are recorded as other deferred revenue. Amounts billed but unpaid are contract assets and recorded as account receivables.

Contributions and pledges

The YMCA records unconditional promises to give (pledges) as receivables and contributions within the appropriate net asset category based on the existence or absence of donor conditional promises to give. A conditional promise to give is a contribution with a measurable performance or other barrier and a right to return. The YMCA recognizes conditional promises to give when the measurable performance or barrier imposed by the donor are substantially met or explicitly waived by the donor.

Contributed materials and services

Contributions of donated materials and services are recorded at their fair value in the period received. For the years ended May 31, 2022 and 2021, the YMCA received donated materials of \$98,946 and \$51,134, respectively, relating to equipment, supplies, furniture, and fixtures.

The YMCA recognizes contributions of services received if such services: (a) create or enhance nonfinancial assets, (b) require specialized skills, (c) are provided by individuals possessing those skills, and (d) would typically need to be purchased if not contributed. For the years ended May 31, 2022 and 2021, the YMCA received contributed services of \$49,153 and \$8,500, respectively.

The YMCA receives services from a large number of volunteers who give significant amounts of their time to the programs of the YMCA. No amounts have been reflected for these types of donated services, as there is no objective basis available to measure the value of such services.

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional allocation of expenses

Expenses are charged directly to program, management or fundraising in general categories based on specific identification. Indirect expenses have been allocated based on full-time equivalent expenses and facility square footage usage.

Advertising costs

The YMCA expenses advertising costs as incurred. For the years ended May 31, 2022 and 2021, advertising costs were approximately \$289,961 and \$141,598, respectively.

Income taxes

The YMCA has received a favorable determination letter from the Internal Revenue Service stating that it is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1986 (IRC), as an organization described in Section 501(c)(3), except for income taxes pertaining to unrelated business income.

The Financial Accounting Standards Board (FASB) guidance requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has determined that there are no material uncertain positions that require recognition in the financial statements. Additionally, no provision for income taxes is reflected in these financial statements. Interest and penalties would be recognized as a tax expense; however, there is no interest or penalties recognized in the statements of activities. The tax years after 2019 are still open to audit for both federal and state purposes.

Cash and cash equivalents

The YMCA considers all liquid investments with original maturities of three months or less to be cash equivalents. Cash allocated to the investment portfolio as part of the YMCA's investment strategy is reported as investments.

Cash, cash equivalents and restricted cash reported in the statements of cash flows consisted of the following at May 31:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 7,781,472	\$ 5,098,834
Restricted cash	<u>45,902</u>	<u>43,400</u>
Total	<u>\$ 7,827,374</u>	<u>\$ 5,142,234</u>

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of credit risk

The YMCA maintains cash balances at certain financial institutions in excess of the insurance limits provided by the Federal Deposit Insurance Corporation. The YMCA has not experienced any losses in such accounts. The YMCA monitors the financial stability of financial institutions regularly and management does not believe there is significant credit risk associated with deposits in excess of federally insured amounts. At May 31, 2022, the YMCA's uninsured cash balance totaled \$7,459,319.

Derivative financial instrument

Derivative financial instruments are recognized as either assets or liabilities at their fair value on the statement of financial position, with the changes in the fair value reported in other changes in net assets without donor restrictions. The derivative financial instrument is classified on the statement of financial position as interest rate swap agreement.

Accounts receivable

Accounts receivable are carried at original invoice amount. Management determines the collectability by regularly evaluating individual receivables. Receivables are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as revenue when received. Management believes that all outstanding receivables are collectible; therefore, no allowance for uncollectible receivables has been provided. The YMCA does not accrue interest on unpaid accounts receivable. For the fiscal years ended May 31, 2022, 2021, and 2020 accounts receivable was \$394,944, \$2,037,484, and 96,760 respectively.

Investments

Investments are reported at fair value and are based primarily on quoted market prices or estimated fair value.

Property, plant and equipment

Investment in property, plant and equipment is stated at cost, less accumulated depreciation, or at fair value if donated. Major additions and improvements in excess of \$5,000 are capitalized, while ordinary maintenance and repairs are charged to expense as incurred. The cost and accumulated depreciation of assets sold or retired are removed from the accounts, and any gains or losses are reflected in the statement of activities.

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets are depreciated using the straight-line method over the following estimated useful lives:

Building and renovations	20 – 40 years
Building and leasehold improvements	7 – 10 years
Furniture, fixtures and equipment	5 – 7 years
Vehicles	3 – 10 years

Deferred revenue

Membership dues and program fees that are designated for or related to future years' activities are deferred and recognized as revenue in the period in which they apply. For the fiscal years ended May 31, 2022, 2021, and 2020 deferred revenue was \$3,365,720, \$2,799,687, and \$2,327,225 respectively.

Subsequent events

Management has evaluated subsequent events and updated the change from LIBOR to BSBY rate in Note 10, along with the disclosure in Note 19 of the move of the YMCA office in August 2022. This evaluation is through October 20, 2022, the date which the financial statements were available to be issued, and has not evaluated subsequent events after that date.

Accounting pronouncement adopted

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers Topic (606)*. This ASU supersedes the revenue recognition requirements in *Topic 605, Revenue Recognition*, and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The YMCA adopted this ASU on June 1, 2020.

The YMCA implemented ASU 2014-09 using a full retrospective method of application. The adoption of ASU 2014-09 resulted in changes to the disclosure of revenue. There were no material changes to the recognition or presentation of revenue as a result of the application of ASU 2014-09. As a result, no cumulative effect adjustment was recorded upon adoption.

THE GRANITE YMCA

NOTES TO FINANCIAL STATEMENTS

Note 2. SIGNIFICANT ACCOUNTING POLICIES (concluded)

Recent accounting pronouncement

In February 2016, the FASB issued (ASU) 2016-02, *Leases*. This ASU affects any entity that enters into a lease, with some specified scope exemptions. The main difference between previous GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The amendments in this ASU are effective for fiscal years beginning after December 15, 2021. The YMCA has not yet implemented this ASU and is in the process of assessing the effect on their financial statements.

In September 2020, the FASB issued (ASU) 2020-07, *Contributed Nonfinancial Assets*. This ASU affects not-for-profit entities that receive contributed nonfinancial assets. The amendment addresses presentation and disclosure of contributed nonfinancial assets. The amendments in this ASU are effective for fiscal years beginning after June 15, 2021.

Note 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 balance sheet date comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 7,781,472	\$ 5,098,834
Restricted cash	45,902	43,400
Accounts receivable	394,944	2,037,484
Pledges receivable	360,705	300,251
Investments	14,732,557	15,421,940
Cash surrender value of life insurance	22,170	-
Beneficial interest in remainder trusts	<u>2,322,308</u>	<u>1,866,612</u>
 Total financial assets	 25,660,058	 24,768,521
Less financial assets held to meet donor-imposed restrictions:		
Restricted cash	(45,902)	(43,400)
Pledges receivable	(247,094)	(251,811)
Donor-restricted endowment funds	(8,039,984)	(8,537,595)
Less financial assets not available within one year:		
Cash surrender value of life insurance	(22,170)	-
Beneficial interest in remainder trust	<u>(2,322,308)</u>	<u>(1,866,612)</u>

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 3. LIQUIDITY AND AVAILABILITY (concluded)

Less board-designated endowment fund	<u>(6,692,573)</u>	<u>(6,884,345)</u>
Amount available for general expenditures within one year	<u>\$ 8,290,027</u>	<u>\$ 7,184,758</u>

The YMCA's endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The YMCA's board-designated endowment of \$6,692,573 is subject to an annual spending rate as described in Note 15. Although management does not intend to spend from this 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 their liquidity management plan, the YMCA maintains a revolving line of credit of \$750,000 to cover short term cash needs (Note 11). Occasionally, the Board designates a portion of any operating surplus to its operating reserve.

Note 4. PLEDGES RECEIVABLE

Pledges receivable represent amounts due from donors for multi-year, unconditional pledges. Pledges receivable are shown net of a discount on future collections. Payments on the pledges are expected to be received as follows:

	<u>2022</u>	<u>2021</u>
Promises to give expected to be collected in		
Less than one year	\$ 120,481	\$ 156,654
One to five years	<u>273,272</u>	<u>178,418</u>
Total pledges receivable	393,753	335,072
Less discount to present value	(13,360)	(17,868)
Less allowance for uncollectible pledges	<u>(19,688)</u>	<u>(16,953)</u>
Net pledges receivable	360,705	300,251
Less current portion	<u>(100,793)</u>	<u>(139,701)</u>
Long term pledges receivable, net	<u>\$ 259,912</u>	<u>\$ 160,550</u>

THE GRANITE YMCA

NOTES TO FINANCIAL STATEMENTS

Note 5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The FASB defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the YMCA's principal or most advantageous market in an orderly transaction between market participants on the measurement date.

The standard establishes a fair value hierarchy which requires the YMCA to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the YMCA has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the YMCA's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Investments measured at fair value at May 31, 2022 are summarized below:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
Valued on a recurring basis:				
Assets				
Investments				
Money market funds	\$ 1,097,541	\$ 1,097,541	\$ -	\$ -
U.S. treasury obligations	1,183,335	1,183,335	-	-
Fixed income	2,907,208	-	2,907,208	-
Equity	9,544,473	9,544,473	-	-
Beneficial interest in trusts	<u>2,322,308</u>	<u>-</u>	<u>-</u>	<u>2,322,308</u>
Total assets	<u>\$ 17,054,865</u>	<u>\$ 11,825,349</u>	<u>\$ 2,907,208</u>	<u>\$ 2,322,308</u>

THE GRANITE YMCA

NOTES TO FINANCIAL STATEMENTS

Note 5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Liabilities				
Interest rate swap in loss position	\$ 92,192	\$ -	\$ 92,192	\$ -
Total liabilities	\$ 92,192	\$ -	\$ 92,192	\$ -
Valued on a non-recurring basis				
Pledges receivable	\$ 360,705	\$ -	\$ -	\$ 360,705

Investments measured at fair value at May 31, 2021 are summarized below:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
Valued on a recurring basis				
Assets				
Investments				
Money market funds	\$ 129,961	\$ 129,961	\$ -	\$ -
U.S. treasury obligations	1,786,128	1,786,128	-	-
Fixed income	2,118,243	-	2,118,243	-
Equity	11,387,608	11,387,608	-	-
Beneficial interest in trusts	1,866,612	-	-	1,866,612
Total assets	\$ 17,288,552	\$ 13,303,697	\$ 2,118,243	\$ 1,866,612
Liabilities				
Interest rate swap in loss position	\$ 198,939	\$ -	\$ 198,939	\$ -
Total liabilities	\$ 198,939	\$ -	\$ 198,939	\$ -
Valued on a non-recurring basis				
Pledges receivable	\$ 300,251	\$ -	\$ -	\$ 300,251

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. The fair value of pledges receivable is estimated at the present value of expected future cash flows. The discount rate used was 5% and 4% for 2022 and 2021, respectively. The fair value of Level 2 investments has been measured using quoted market prices of similar assets and the fair value market approach, as determined by several factors, including its credit rating relative to a corporate bond with similar maturity duration.

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (concluded)

The fair market value of the beneficial interest in trusts is based upon the present value of the estimated future cash receipts from the trust's assets, considering a rate of return on the assets in the trust, less management's allowance for possible future principal reductions.

The YMCA uses a lending institution's proprietary models, which consider past, present and future assumptions regarding market conditions to estimate the fair value of the liability for the interest rate swap agreement. Annuities payable are primarily valued using valuation models that consider assumptions about future market conditions and actuarially determined payout periods.

Investment return at May 31 is summarized as follows:

	<u>2022</u>	<u>2021</u>
Interest and dividends, net of fees	\$ 221,764	\$ 185,188
Net realized gain	505,635	155,166
Net unrealized (loss) gain	<u>(1,583,138)</u>	<u>2,760,316</u>
Investment return, net of expenses	(855,739)	3,100,670
Investment expenses	<u>69,737</u>	<u>65,607</u>
Total (loss) return on investments	<u>\$ (786,002)</u>	<u>\$ 3,166,277</u>

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment were comprised of the following at May 31:

	<u>2022</u>	<u>2021</u>
Building and improvements	\$ 26,490,861	\$ 24,513,389
Furniture, fixtures and equipment	6,537,566	5,047,405
Land	<u>2,004,115</u>	<u>1,763,114</u>
	35,032,542	31,323,908
Less accumulated depreciation	<u>19,030,596</u>	<u>17,710,746</u>
Net investment in property, plant and equipment	<u>\$ 16,001,946</u>	<u>\$ 13,613,162</u>

Note 7. BENEFICIAL INTEREST IN TRUSTS

The YMCA is an irrevocable beneficiary of two charitable remainder trusts held by a bank as trustee. These resources are neither in the possession of, nor under the control of the YMCA. The terms of one trust provide for income of the trust to be distributed to the current beneficiary. The second trust provides for income and principal to be distributed to the current beneficiary based on an incremental rate each year. Upon the beneficiaries' deaths, two trusts require the remaining principal be distributed to charitable beneficiaries. Since the trustee is allowed to make principal distributions to the current beneficiaries, management has established an allowance to provide for this possibility. The fair value of the beneficial interest was determined by applying the YMCA's percentage interest to the fair value of trust assets as reported by the trustee and discounting this value by 20%.

	<u>2022</u>	<u>2021</u>
Beneficial interest in trusts	\$ 2,154,935	\$ 2,238,422
Allowance for principal distribution	<u>(430,987)</u>	<u>(447,684)</u>
Total	<u>\$ 1,723,948</u>	<u>\$ 1,790,738</u>

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 7. BENEFICIAL INTEREST IN TRUSTS (concluded)

The YMCA of the Seacoast is a beneficiary of an agency endowment fund at the New Hampshire Charitable Foundation (the "Foundation"). Pursuant to the terms of the resolution establishing this fund, property contributed to the Foundation is held as a separate fund designated for the benefit of the YMCA of the Seacoast. In accordance with its spending policy, the Foundation makes distributions from the fund to the YMCA of the Seacoast. The distributions are approximately 4.0% of the market value of the fund per year. The estimated value of future distributions from the fund is included in these financial statements as required by generally accepted accounting principles; however, all property in the fund was contributed to the Foundation to be held and administered for the benefit of the YMCA of the Seacoast. On May 31, 2022, the market value of the fund's assets was approximately \$85,067.

The Concord Family YMCA is the beneficiary of several irrevocable, perpetual trusts managed by local, independent financial institutions. The Concord Family YMCA received distributions from two trusts based on the income earned and annual distributions made by the trust. The Concord Family YMCA also receives distributions from a separate trust with a set annual distribution amount of \$200. The Concord Family YMCA's portion of the fair value of these trusts, which approximates the present value of future benefits expected to be received, amounted to \$513,293 at May 31, 2022.

The Concord Family YMCA also receives discretionary distributions each year from another trust. However, due to the fact that the trustee of this trust has the ability to change beneficiaries, this trust is not included in the statement of financial position as a beneficial interest in trust.

Note 8. FUNDS HELD BY OTHERS

The YMCA of the Seacoast is also a beneficiary of two designated funds at the Foundation. Pursuant to the terms of the resolution establishing these funds, property contributed to the Foundation is held as separate funds designated for the benefit of the YMCA of the Seacoast. In accordance with its spending policy, the Foundation makes distributions from the funds to the YMCA of the Seacoast. The distributions are approximately 4.0% of the market value of the funds per year. The funds are not included in these financial statements, since all property in the funds was contributed to the Foundation to be held and administered for the benefit of the YMCA of the Seacoast. For the year ended May 31, 2022, \$3,892 was received from the funds. On May 31, 2022, the market value of the funds' assets was approximately \$107,226.

THE GRANITE YMCA

NOTES TO FINANCIAL STATEMENTS

Note 8. FUNDS HELD BY OTHERS (concluded)

The Concord Family YMCA is a beneficiary of a designated fund at the Foundation. Pursuant to the terms of the resolution establishing this fund, property contributed to the Foundation is held as a separate fund designated for the benefit of the Concord Family YMCA. In accordance with its spending policy, the Foundation makes distributions from the fund to the Concord Family YMCA. The distributions are approximately 4.2% of a trailing twenty quarter average of the fair market value of the fund each year. The fund is not included in these financial statements since all property in the fund was contributed to the Foundation to be held and administered for the benefit of the Concord Family YMCA. For the year ended May 31, 2022, \$1,206 was received from the funds. On May 31, 2022, the market value of the funds' assets was approximately \$33,226.

Note 9. LONG-TERM DEBT

Bond and notes payable were as follows as of May 31:

	<u>2022</u>	<u>2021</u>
Bond payable to Citizens Bank, N.A. in the original amount of \$3,800,000, in monthly sinking fund installments, plus interest of 2.05% per annum through October 2028, net of unamortized deferred financing costs of \$60,357 and \$72,234 at May 31, 2022 and 2021, respectively. The bond is secured by certain YMCA buildings. Reference is made to Note 10.	\$ 1,214,643.	\$ 1,367,766
Non-interest-bearing note payable to the City of Manchester in annual installments of \$13,000 due in August each year, through October 2024. The note is secured by real estate located in Manchester, NH.	39,000	52,000
Note payable to the Strafford Economic Development Corporation (SEDC) dated August 16, 2012 in the original amount of \$475,000. Monthly principal and interest payments in the amount of \$2,634 are required through August 2027. The interest rate is 3% per annum. The note is secured by substantially all of the assets located in Rochester, NH.	278,635	301,515
Note payable to New Hampshire Health and Education Facilities Authority dated July 5, 2018 in the original amount of \$88,256. Monthly principal and interest payments in the amount of \$1,509 are required through September 2022. The interest rate is 1% per annum. The note is secured by property.	7,537	25,427

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 9. LONG-TERM DEBT (continued)

Note payable to New Hampshire Health and Education Facilities Authority dated March 5, 2019 in the original amount of \$83,106. Monthly principal and interest payments in the amount of \$1,421 are required through June 2024. The interest rate is 1% per annum. The note is secured by property.

35,147 51,715

Note payable to Citizens Bank dated June 1, 2019 in the original amount of \$1,720,000. Monthly principal and interest payments in the amount of \$12,170 are required through May 2024 with the remaining balance due June 2029. The interest rate is 3.35% per annum. The note is secured by substantially all of the assets in Manchester, NH.

1,449,931 1,545,229

Note payable to Citizens Bank dated June 1, 2019 converted from drawn-down line of credit in the original amount of \$900,000. Monthly principal and interest payments in the amount of \$6,359 are required through May 2029 with the remaining balance due June 2029. The interest rate is 2.51% per annum. The note is secured by the second mortgage for property located in Manchester, NH.

818,654 873,366

Note payable to Citizens Bank dated March 16, 2021 in the original amount of \$2,145,600 under the Paycheck Protection Program. Under the terms of the loan, it may be forgiven as long as the borrower uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities. On October 21, 2021, the entire loan was forgiven in full.

- 2,145,600

Mortgage note payable to TD Bank in the original amount of \$850,000. Monthly principal and interest payments in the amount of \$3,787 are required through September 2027. The interest rate is 4.84% per annum. The note is secured by Concord real estate.

435,162

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 9. LONG-TERM DEBT (continued)

Note payable to New Hampshire Health and Education Facilities Authority in the original amount of \$37,716. Monthly principal and interest payments in the amount of \$645 are required through February 2023. The interest rate is 1% per annum. The note is secured by property.

5,779

Note payable to New Hampshire Business Finance Authority in the original amount of \$375,000. Monthly principal and interest payments in the amount of \$5,895 are required through January 2023. The interest rate is 1% per annum. The note is secured by property.

46,985

Note payable to New Hampshire Health and Education Facilities Authority in the original amount of \$59,500. Monthly principal and interest payments in the amount of \$1,017 are required through June 2027. The interest rate is 1% per annum. The note is secured by property.

59,500

Non-interest bearing note payable to Liberty Energy in the original amount of \$50,000. Monthly payments in the amount of \$595 are required through August 2024.

20,238

Note payable to New Hampshire Health and Education Facilities Authority in the original amount of \$110,000. Monthly principal and interest payments in the amount of \$1,880 are required through August 2024. The interest rate is 1% per annum. The note is secured by property.

55,687

Total long-term debt and unamortized deferred financing costs

4,466,898

6,362,618

Less current portion long-term debt

(437,488)

(2,531,763)

Long-term debt net of current portion and unamortized deferred financing costs

\$ 4,029,410\$ 3,830,855

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 9. LONG-TERM DEBT (concluded)

Future annual maturities of the notes are as follows:

Year ending <u>May 31,</u>	<u>Amount</u>
2023	\$ 497,845
2024	461,799
2025	455,246
2026	437,778
2027	455,468
Thereafter	2,219,119
Unamortized deferred financing costs	<u>(60,357)</u>
Total	<u>\$ 4,466,898</u>

The loan agreement contains certain financial and nonfinancial covenants. Management has an ongoing analysis of covenant compliance. At May 31, 2022, the YMCA was in compliance with the financial covenants.

Note 10. SERIES 2007 REVENUE BONDS

During 2007, the New Hampshire Health and Education Facilities Authorities (the "Authority") sold \$3,800,000 of its Revenue Bonds, Greater Manchester Family YMCA Issue, Series 2007, and loaned the proceeds of the bonds to the YMCA to finance certain improvements to the YMCA's facilities. The Series 2007 Bonds were issued with a variable interest rate determined on a weekly basis. Prior to issuing the Bonds, the YMCA entered into an interest rate swap agreement with Citizens Bank, NA (the "Counterparty") for the life of the bond issue to hedge the interest rate risk associated with the Series 2007 Bonds. The bonds mature in 2028 and can be repaid at any time.

During 2009, a downgrading of the credit rating of the bank providing the letter-of-credit occurred, which resulted in a significant increase of the weekly variable rate. Since it became evident that the credit markets would not soon return to normalcy, the YMCA 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 percent of the sum of the adjusted period LIBOR (30 day) rate and 250 basis points.

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 10. SERIES 2007 REVENUE BONDS (concluded)

The bank purchase mode commenced on September 1, 2009 and expired on November 30, 2021. It was further amended on September 12, 2022 through September of 2023 with interest per annum equal to the product of (a) .79 multiplier by the sum of (b) the sum of BSBY rate plus 2.16%. This expiration date may be extended by the bank and the YMCA has the option to convert back to the weekly rate mode.

The Series 2007 Bond documents require the YMCA to comply with certain financial covenants. As of May 31, 2022, the YMCA was in compliance with these covenants.

Note 11. REVOLVING LINE OF CREDIT

The YMCA has a revolving line of credit with Citizens Bank for \$750,000. The line of credit is used for operating cash flow purposes if needed. Any amounts drawn on the line of credit are payable on demand with interest equal to one month LIBOR rate, plus a 2.25% interest margin under the LIBOR Advantage program. The interest rate at May 31, 2022 was 3.16%. On September 21, 2022, the interest was amended at a rate per annum equal to the BSBY rate for the interest period in effect for the loan plus 2.25%. The line is secured by substantially all of the YMCA's non-real estate assets. At May 31, 2022 and 2021, there was no outstanding balance owed on the line of credit.

The line of credit agreement contains certain financial and nonfinancial covenants. Management has an ongoing analysis of covenant compliance. At May 31, 2022, the YMCA was in compliance with the financial covenants.

Note 12. INTEREST RATE SWAP

During 2007, the YMCA entered into an interest rate swap agreement (the "swap agreement") with Citizens Bank NA (the "Counterparty") to hedge the interest rate on the Series 2007 Bonds. Pursuant to the swap agreement, the initial notional amount and amortization will match the par amount and amortization of the Series 2007 Bonds. Under the terms of the swap agreement, the YMCA will pay the fixed rate of 3.75% on the notional amount and in exchange, the Counterparty will pay the YMCA a variable rate on the notional amount based on the 67 percent of one-month LIBOR. The cost of the interest rate swap for the years ended May 31, 2022 and 2021 was added to interest expense in the statement of functional expenses.

Any gain or loss in the value of the swap contract is recorded as an unrealized gain or loss on the carrying amount value of the interest rate swap contract. For the years ended May 31, 2022 and 2021, the YMCA had unrealized income on the carrying value of the interest rate swap agreement of \$106,747 and \$76,149 respectively.

THE GRANITE YMCA

NOTES TO FINANCIAL STATEMENTS

Note 13. COMMUNITY DEVELOPMENT BLOCK GRANT OBLIGATIONS

In September 2013, the Concord Family YMCA was awarded a Community Development Block Grant (CDBG). According to the terms of the agreement, the YMCA is a sub-recipient of a Community Development Finance Authority Community Development Block Grant through the County of Merrimack, New Hampshire. The grant, amounting to \$364,000, was used to repair and replace components of the HVAC system in the firehouse building, which houses the childcare center. This grant also requires that at least 51% of those individuals benefiting from the funded renovations be members of low to moderate income families. A portion of the grant obligation is forgiven for each year the Concord Family YMCA complies with such participant-benefit conditions (at the annual rate of 5% for the twenty years ending September 30, 2034). For the year ended May 31, 2022, grant obligations forgiven amounted to \$18,200. The outstanding grant obligation of \$223,708 must be repaid to the County of Merrimack if the participant-benefit conditions are not met.

In July 2017, the Concord Family YMCA was awarded another CDBG. According to the terms of this agreement, the Concord Family YMCA is a sub-recipient of a grant from the City of Concord, New Hampshire. The grant, amounting to \$478,000, was used to make improvements to the firehouse building, which houses the childcare center. This grant also requires that at least 66% of those individuals benefiting from the funded renovations be members of low to moderate income families. A portion of the grant obligation is forgiven for each year the Concord Family YMCA complies with such participant-benefit conditions (at the annual rate of 5% for the twenty years ending June 30, 2038). For the year ended May 31, 2022, grant obligations forgiven amounted to \$23,900. The outstanding grant obligation of \$384,422 must be repaid to the City of Concord, New Hampshire if the participant-benefit conditions are not met.

The balance of these grant obligations at May 31, 2022 amounted to \$608,130 and have been classified as short-term due to the subjective nature of the obligations.

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 14. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at May 31:

	<u>2022</u>	<u>2021</u>
Net assets with donor restrictions:		
Restricted for		
Programs		
Youth development	\$ 1,342,876	\$ 149,028
Healthy living	153,134	22,840
Social responsibility	65,000	110,400
Fundraisers	233,464	206,225
Capital expenditure	622,269	272,268
Time		
Beneficial interest in trusts	2,211,869	1,766,038
Cumulative appreciation on		
permanently restricted investments	1,612,197	2,168,522
Endowments restricted in perpetuity	<u>6,432,774</u>	<u>6,340,153</u>
Total net assets with donor restrictions	<u>\$ 12,673,583</u>	<u>\$ 11,035,474</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose, by the occurrence of events specified by the donors, or by a change in the restrictions specified by the donor. Those amounts released from restrictions during the year ended May 31, 2022 are as follows:

Programs	
Youth development	\$ 1,035,861
Healthy living	24,477
Social responsibility	213,985
Fundraisers	77,401
Capital expenditure	204,692
Time	
Cumulative appreciation on	
permanently restricted investments	<u>382,432</u>
Total net assets released from	
 donor restrictions	<u>\$ 1,938,848</u>

THE GRANITE YMCA

NOTES TO FINANCIAL STATEMENTS

Note 15. ENDOWMENT COMPOSITION

The YMCA's endowment consists of both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments for the following purposes:

- Youth development
- Healthy living
- Social responsibility

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.

Purpose of the endowment

The endowment fund is intended to provide for the operation and special programs of the YMCA. In doing so, the endowment fund provides a secure, long-term source of funds to establish or maintain programs that are consistent with the aim of the YMCA.

Interpretation of relevant law

The state of New Hampshire has passed a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Board of Trustees of the YMCA has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the YMCA retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

In accordance with UPMIFA, the YMCA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
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
7. The investment policies of the organization

THE GRANITE YMCA

NOTES TO FINANCIAL STATEMENTS

Note 15. ENDOWMENT COMPOSITION (continued)

Endowment net asset composition by type of fund as of May 31, 2022:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Donor restricted	\$ -	\$ 8,039,984	\$ 8,039,984
Board designated	<u>6,692,573</u>	<u>-</u>	<u>6,692,573</u>
Total funds	<u>\$ 6,692,573</u>	<u>\$ 8,039,984</u>	<u>\$ 14,732,557</u>

Endowment net asset composition by type of fund as of May 31, 2021:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Donor restricted	\$ -	\$ 8,537,595	\$ 8,537,595
Board designated	<u>6,884,345</u>	<u>-</u>	<u>6,884,345</u>
Total funds	<u>\$ 6,884,345</u>	<u>\$ 8,537,595</u>	<u>\$ 15,421,940</u>

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 15. ENDOWMENT COMPOSITION (continued)

Changes in endowment net assets for the years ended May 31, 2022 and 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets as of May 31, 2020	\$ 5,591,397	\$ 7,015,705	\$ 12,607,102
Investment return			
Investment income	77,372	107,816	185,188
Net realized and unrealized gain	<u>1,218,093</u>	<u>1,697,389</u>	<u>2,915,482</u>
Total investment return	1,295,465	1,805,205	3,100,670
Endowment contributions	-	28,585	28,585
Appropriation of endowment assets for operations	<u>(2,517)</u>	<u>(311,900)</u>	<u>(314,417)</u>
Endowment net assets as of May 31, 2021	<u>\$ 6,884,345</u>	<u>\$ 8,537,595</u>	<u>\$ 15,421,940</u>

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 15. ENDOWMENT COMPOSITION (continued)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Investment return			
Investment income	\$ 120,715	\$ 93,689	\$ 214,404
Net realized and unrealized gain	<u>(474,531)</u>	<u>(614,617)</u>	<u>(1,089,148)</u>
Total investment return	(353,816)	(520,928)	(874,744)
Endowment contributions	10,137	10,238	20,375
Transfer upon acquisition of Concord Family YMCA	-	395,511	395,511
Appropriation of endowment assets for operations	-	(227,225)	(227,225)
Appropriation of endowment assets for gift annuities	-	(3,300)	(3,300)
Appropriation of endowment not drawn	<u>151,907</u>	<u>(151,907)</u>	<u>-</u>
Endowment net assets as of May 31, 2022	<u>\$ 6,692,573</u>	<u>\$ 8,039,984</u>	<u>\$ 14,732,557</u>

Return objectives and risk parameters

The YMCA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the YMCA must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds.

THE GRANITE YMCA

NOTES TO FINANCIAL STATEMENTS

Note 15. ENDOWMENT COMPOSITION (concluded)

Investment objective

Endowment funds are invested in a diversified portfolio, consisting primarily of fixed income and equity mutual funds and other investments, which may reflect varying rates of return. The intended overall rate of return of the portfolio is a reasonable "real" rate, consistent with the risk levels established by the investment committee. The objective is that the minimum acceptable rate of return over a full market cycle of 3 to 5 years is one that equals or exceeds the assumed spending rate plus the rate of inflation.

Spending policy and how the investment objectives relate to spending policy

The YMCA's spending policy is currently 4% of the average total endowment value over the trailing 5 years. In addition, the Board may authorize up to 50% of the amount by which the 5 year average net total return exceeds the 5 year average annual CPI. These funds will be spent on programs submitted with the annual budget that is approved by the Board of Trustees. The spending policy is implemented with the intent not only to provide funds for the YMCA's immediate aims but also to preserve and grow assets to meet future spending needs.

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

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the YMCA to retain as a fund of perpetual duration. Deficiencies of this nature that are in excess of related restricted amounts are reported in net assets with donor restrictions. As of May 31, 2022 and 2021, there were no such amounts.

THE GRANITE YMCA

NOTES TO FINANCIAL STATEMENTS

Note 16. FINANCIAL ASSISTANCE PROVIDED

The YMCA provides financial assistance, through contributions and other fundraising, to help defray the costs of membership and program and other fees for individuals with need. Membership dues and program fees are recorded net of such assistance in the accompanying statements of activities. Such amounts were as follows for the years ended May 31:

	<u>2022</u>	<u>2021</u>
Program fees	\$ 12,719,754	\$ 6,567,769
Less financial assistance provided	<u>(670,221)</u>	<u>(696,170)</u>
Program fees, net	<u>\$ 12,049,533</u>	<u>\$ 5,871,599</u>
Membership dues	\$ 4,275,756	\$ 2,825,621
Less financial assistance provided	<u>(666,006)</u>	<u>(251,639)</u>
Membership dues, net	<u>\$ 3,609,750</u>	<u>\$ 2,573,982</u>

Note 17. DEFINED CONTRIBUTION PLANS

The YMCA participates in the YMCA Retirement Fund Retirement Plan, which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended and the YMCA Retirement Fund Tax-Deferred Savings Plan, which is a retirement income account plan as defined in section 403(b)(9) of the code. Both plans are sponsored by the Young Men's Christian Association Retirement Fund ("Fund"). The Fund is a not-for-profit, tax exempt pension fund incorporated in the State of New York (1922), organized and operated for the purpose of providing retirement and other benefits for employees of YMCA's throughout the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCA's and their eligible employees. As a defined contribution plan, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

In accordance with their agreement, contributions for the YMCA Retirement Fund Retirement Plan are a percentage of the participating employees' salary. These amounts are paid by the YMCA. For the years ended May 31, 2022 and 2021, total contributions charged to retirement costs aggregated \$525,012 and \$296,399, respectively.

Contributions to the YMCA Retirement Fund Tax-Deferred Savings Plan are withheld from employees' salaries and remitted to the YMCA Retirement Fund. There is no matching employer contribution to this plan.

THE GRANITE YMCA
NOTES TO FINANCIAL STATEMENTS

Note 18. RELATED PARTIES

The YMCA is a member association of the National Council of Young Men's Christian Associations of the United States of America. The YMCA is an independent, autonomous organization, recognized as a member, but separate from the National Council. The YMCA must meet annual certification requirements to remain a member.

The YMCA pays dues to YMCA of the USA. For the years ended May 31, 2022 and 2021, dues expense was \$232,927 and \$131,387, respectively.

Note 19. LEASE COMMITMENTS

The YMCA entered into a noncancelable lease agreement for office space with a related party in Manchester, New Hampshire that expired in June 2022. In March 2022 as per the lease agreement, written notice not to renew was given within the required 180 days prior to expiration. The YMCA was granted a monthly lease through August 31, 2022. The YMCA entered into a new noncancelable lease agreement for office space in Manchester, New Hampshire that expires in August 2027.

The YMCA leases equipment under operating leases which expire through April 2025. The YMCA also leases 60 parking spaces at \$75 per space, per month, with a 2% annual increase. During fiscal year 2015, the YMCA entered into an additional lease to rent 30 parking spaces at \$75 per space, per month, with a 3% annual increase. Both parking lease agreements expire on May 31, 2025.

The minimum future commitments under the leases are as follows:

Year ending <u>May 31,</u>	<u>Amount</u>
2023	\$ 279,665
2024	256,012
2025	233,758
2026	81,207
2027	83,657
Thereafter	<u>14,010</u>
Total	<u>\$ 948,309</u>

For the years ended May 31, 2022 and 2021, rent expense for leased facilities and equipment was approximately \$231,910 and \$237,956, respectively.

THE GRANITE YMCA

NOTES TO FINANCIAL STATEMENTS

Note 20. RISKS AND UNCERTAINTIES

The YMCA invests in various investment securities. Investment securities 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 such changes could materially affect the amounts reported in the statements of financial position.

The spread of COVID-19 had forced the YMCA to reduce program offerings, specifically overnight camp which was canceled, the reduced capacity mandated for day camp and childcare, and a significant reduction in memberships.

Note 21. ACQUISITION

On June 1, 2021, the YMCA acquired the Concord Family YMCA (the "Organization") in Concord, New Hampshire. Upon the acquisition, the YMCA assumed all of the assets and liabilities of the Organization. As a result of this acquisition, the YMCA recognized income from the acquisition of \$3,195,712.

**The Granite YMCA
Board of Director
2024**

Rob Glew (Past -Chair)

Morey Goodman

Ryan Gough

Matt Henry

Kerry Houston

Donna InDelicato

Dave Kuhn

Jodi Langellotti

Matt Leahy

Deborah Blake Dempsey

Steve Lubelczyk

Dennis Malloy

Laila Miller

Lori Piper

Bob Pliskin

Wayne Robinson

Brett St. Clair

Helena laquinta

Joe Kenney

Gisele Rodriguez

Donald Strokes Jr.

Margaret Tomas (Vice-Chair)

Henry Veilleux

Jeremy Walker (current President)

Kellie Wardman

to create synergy, standard operations, and strategies to grow membership; grew from \$16 million to \$22 million in five years

- Served on Senior Leadership Team to help support, guide, and operate the association during financial struggles (potential bankruptcy), debt re-structuring, and recovery
- Created 3-year pricing strategy for a struggling association during the Great Recession that yielded membership growth; focus on standard operations, connection points with members, association call center (in/out-inbound), enhanced corporate wellness program
- Directly supervised four branches totaling \$6.5 million operating budget including partnership with Arizona State University, 139 Room Residence Program for low income individuals and workforce development, re-structured branch boards, and branch turn-around for three different centers
- Opened a center from the final stages of constructions, recruiting entire staffing team from hiring to training, launch membership campaigns and strategies to grow the center to the largest center in the association in six months (currently still maintains the largest center in the association)

YMCA WORK HISTORY

The Granite YMCA

COO \$27 million operations
September 2022- present

The Y in Central Maryland

Regional VP \$34 million district operating budget
Senior Vice President \$43 million operating budget
Oct 2016- April 2022

Valley of the Sun YMCA

Senior Executive/District \$6.5 million district operating budget, two branch turnaround, branch closure
Senior Executive/Membership \$22 million membership budget
Oct 2012- Oct 2016

Desert Foothills YMCA, Valley of the Sun YMCA

Director of Operations
Opened new branch, \$2.7 million branch operating budget
Sep 2009- Oct 2012

Brandon Family YMCA, Tampa Metro YMCA

Senior Program Director/Operations Director
\$1.7 million branch operating budget, including \$500k program budget, branch turnaround
Mar 2005- Mar 2008

Hernando County Family YMCA, YMCA of the Suncoast

Aquatics Director, Senior Program Director
\$515k operating/program budget
Apr 2002- Jun 2004

Central YMCA, YMCA of the Triangle

Lifeguard, Assistant Director
Jul 2001- Mar 2002

Cary Family YMCA, YMCA of the Triangle

Lifeguard, Program Coordinator/Director
Jul 1994- Jul 2001

EDUCATION & CERTIFICATIONS

North Carolina State University, Bachelor of Arts

YUSA Organizational Leader

YUSA Faculty Intro to Fiscal Management

YUSA Trainer, Listen First, Intro Fiscal Management, Advanced Fiscal Management

ARC
27



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

Lori A. Weaver
Interim Commissioner

Katja S. Fox
Director

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9544 1-800-852-3345 Ext. 9544
Fax: 603-271-4332 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

July 21, 2023

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, on behalf of the Governor's Commission on Alcohol and Other Drugs, to enter into a **Sole Source** contract with The Granite Young Men's Christian Association (VC#154139-B001), Manchester, NH, in the amount of \$400,000 to provide a physical fitness and wellness reimbursement benefit program for active NH military personnel, with the option to renew for up to five (5) additional years, effective upon Governor and Council approval through June 30, 2024. 100% Other Funds (Governor's Commission).

Funds are available in the following account for State Fiscal Year 2024, with the authority to adjust budget line items within the price limitation through the Budget Office, if needed and justified.

05-95-92-920510-33820000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION FOR BEHAVIORAL HEALTH, BUREAU OF DRUG AND ALCOHOL, GOVERNOR COMMISSION 100% Other Funds (Governor Commission Fund)

State Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2024	102-500731	Contracts for Prgm Svc	92058501	\$400,000
			Total	\$400,000

EXPLANATION

This request is **Sole Source** because the Department is seeking to enter into a contract with the Contractor in response to a directive from the Governor's Commission on Alcohol and Other Drugs. The Contractor is uniquely qualified to provide the services outlined in the Agreement as the Vendor and its member organizations have an extensive history of serving military personnel throughout New Hampshire including Goffstown, Manchester, Concord, Greater Londonderry, Seacoast, Strafford County, and Somersworth. The Vendor will be working with the Department to identify and recruit other YMCAs in underserved areas of the State.

The purpose of this request is to provide a physical fitness and wellness reimbursement benefit program for active NH military personnel who otherwise would not have the benefit. Rigorous schedules and frequent deployment can add stressors to the lives of New Hampshire military personnel resulting in behavioral health issues such as depression, anxiety and substance misuse. Studies indicate that active military personnel and veterans face unique stressors and

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
Page 2 of 2

often don't seek help for behavioral health issues due to stigma and shame. According to the National Institute on Drug Abuse, the rates of binge drinking are high among military personnel age 18 to 25, compared to the general population.

Approximately 1500 individuals will be served during State Fiscal Year 2024.

The Department will monitor services through the review of quarterly reports to ensure contract deliverables are being met.

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 five (5) 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, active NH military personnel may not have access to a program that supports their wellbeing, which may lead to increased stress levels and continued unhealthy coping mechanisms, including substance use and misuse.

Area served: Statewide

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

Respectfully submitted,



Lori A. Weaver
Interim Commissioner

Subject: Physical Fitness and Wellness Reimbursement Benefit for Active NH Military Personnel and their Families (SS-2024-DBH-25-PHYSI-01)

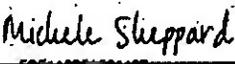
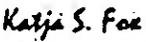
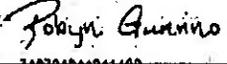
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

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 The Granite-Young Men's Christian Association		1.4 Contractor Address 670 North Commercial St., Suite 103 Manchester, NH 03101	
1.5 Contractor Phone Number 603-623-3558	1.6 Account Number 05-95-92-920510-33820000-102-500731	1.7 Completion Date 6/30/2024	1.8 Price Limitation \$400,000
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature 7/25/2023 DocuSigned by:  Date:		1.12 Name and Title of Contractor Signatory Michele Sheppard President and CEO	
1.13 State Agency Signature 8/7/2023 DocuSigned by:  Date:		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) By:  On: 8/8/2023			
1.17 Approval by the Governor and Executive Council. (if applicable) G&C Item number: _____ G&C Meeting Date: _____			


 Contractor Initials _____
 Date 7/25/2023

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

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

4. CONDITIONAL NATURE OF AGREEMENT:

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

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

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

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

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

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

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

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

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

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

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

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

MS

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

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

9. TERMINATION.

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

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

submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

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

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

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

Contractor Initials

Date 7/27/2023

MS

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

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

18. **CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

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

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

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

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

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

24. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

MS

**New Hampshire Department of Health and Human Services
Physical Fitness and Wellness Reimbursement Benefit for Active NH Military
Personnel and their Families**

EXHIBIT A

Revisions to Standard Agreement Provisions

1. Revisions to Form P-37, General Provisions

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

3.3. The parties may extend the Agreement for up to five (5) additional years from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

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

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

**New Hampshire Department of Health and Human Services
Physical Fitness and Wellness Reimbursement Benefit for Active NH Military
Personnel and their Families**

EXHIBIT B

Scope of Services

1. Statement of Work

- 1.1. The Contractor must develop and implement a physical fitness and wellness reimbursement benefit program, herein after referred to as the Military Wellness Reimbursement Program (MWRP), for active NH military personnel.
- 1.2. The Contractor must ensure the MWRP is available at:
 - 1.2.1. The Granite Young Men's Christian Association (YMCA) in NH, which includes the following locations:
 - 1.2.1.1. YMCA Allard Center of Goffstown;
 - 1.2.1.2. YMCA of Concord;
 - 1.2.1.3. YMCA of Downtown Manchester;
 - 1.2.1.4. YMCA of Greater Londonderry;
 - 1.2.1.5. YMCA of the Seacoast;
 - 1.2.1.6. YMCA of Strafford County; and
 - 1.2.1.7. The Granite YMCA of Somersworth; and
 - 1.2.2. Other YMCA locations in NH, as approved by the Department.
- 1.3. The Contractor must ensure eligible individuals are offered the following reimbursement benefit options, once per year:
 - 1.3.1. Reimbursement of up to \$450.00 (\$37.50 per month) individual YMCA membership dues; or
 - 1.3.2. Reimbursement of \$200.00 for home exercise equipment that provides cardiovascular or muscular total-body workout, purchased new. Eligible equipment must be purchased new and includes, but is not limited to:
 - 1.3.2.1. Treadmills.
 - 1.3.2.2. Stationary cycles.
 - 1.3.2.3. Bike stands.
 - 1.3.2.4. Stair-climbing machines.
 - 1.3.2.5. Elliptical machines.
 - 1.3.2.6. Rowing machines.
 - 1.3.2.7. Total-body weight resistance machines.
 - 1.3.2.8. Cross-country ski machines.
- 1.4. The Contractor must verify eligibility of each MWRP applicant and must require

**New Hampshire Department of Health and Human Services
Physical Fitness and Wellness Reimbursement Benefit for Active NH Military
Personnel and their Families**

EXHIBIT B

- presentation of a valid, active NH Military identification at the time of application to participate in programs identified in Section 1.3, and annually thereafter.
- 1.5. The Contractor must create a MWRP development and implementation plan that includes, but is not limited to policies and procedures for:
 - 1.5.1. Eligibility verification.
 - 1.5.2. Membership application, renewal, and termination.
 - 1.5.3. Submission, approval, and remittance of reimbursement requests.
 - 1.5.4. Detailed timeline that includes benchmarks and milestones.
 - 1.6. The Contractor must submit the development and implementation plan, to the Department, for approval, within 30 days of the Contract Effective Date.
 - 1.7. The Contractor must collaborate with the Department to create a pre and post enrollment MWRP questionnaire to be completed by each approved and enrolled individual.
 - 1.8. The Contractor must promote the MWRP through the creation and dissemination of informational items, which may include but is not limited to flyers. The Contractor must ensure informational items are approved by the Department prior to dissemination.
 - 1.9. The Contractor must administer disburse, manage, and monitor MRP reimbursement funding, ensuring records account for all costs and expenditures associated with the MWRP.
 - 1.10. The Contractor must maintain documentation of all MWRP application requests and reimbursement remittance. The Contractor must ensure documentation includes, but is not limited to:
 - 1.10.1. Date of application submittal.
 - 1.10.2. Verification of eligibility.
 - 1.10.3. Date of MWRP enrollment or denial. If the application is denied, reason for denial must be included.
 - 1.10.4. Reimbursement benefit option chosen.
 - 1.10.5. Reimbursement amount.
 - 1.10.6. Remittance date.
 - 1.10.7. Proof of payment.
 - 1.10.8. Date of and reason for MRP termination.
 - 1.11. The Contractor must participate in meetings with the Department on a quarterly basis, or as otherwise requested by the Department.

**New Hampshire Department of Health and Human Services
Physical Fitness and Wellness Reimbursement Benefit for Active NH Military
Personnel and their Families**

EXHIBIT B

1.12. Reporting

1.12.1. The Contractor must submit quarterly reports to the Department which include, but are not limited to:

1.12.1.1. Number of applications received.

1.12.1.2. Verification of eligibility.

1.12.1.3. Reimbursement benefit option chosen.

1.12.1.4. Reimbursement amount.

1.12.1.5. Remittance date.

1.12.1.6. Proof of payment.

1.12.1.7. Date of and reason for MWRP termination.

1.12.1.8. Total number of active NH military personnel served.

1.12.1.9. Total number of reimbursement benefits provided, broken out by benefit option type.

1.12.1.10. Aggregate pre and post enrollment MWRP questionnaire results.

1.12.2. The Contractor may be required to provide other data and metrics to the Department in a format specified by the Department.

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, which is attached hereto and incorporated by reference herein.

3. Additional Terms

3.1. Impacts Resulting from Court Orders or Legislative Changes

3.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

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

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

**New Hampshire Department of Health and Human Services
Physical Fitness and Wellness Reimbursement Benefit for Active NH Military
Personnel and their Families**

EXHIBIT B

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

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

**New Hampshire Department of Health and Human Services
Physical Fitness and Wellness Reimbursement Benefit for Active NH Military
Personnel and their Families**

EXHIBIT B

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.

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

**New Hampshire Department of Health and Human Services
Physical Fitness and Wellness Reimbursement Benefit for Active NH Military
Personnel and their Families**

EXHIBIT C

Payment Terms

1. This Agreement is funded by:
 - 1.1. 100% Other funds (Governors Commission).
2. For the purposes of this Agreement the Department has identified:
 - 2.1. The Contractor as a Subrecipient, based on criteria in 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 Sheet.
4. The Contractor must submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the quarter in which the services were provided. The Contractor must 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 dhhs.dbhinvoicesbdas@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 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 40 days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.

**New Hampshire Department of Health and Human Services
Physical Fitness and Wellness Reimbursement Benefit for Active NH Military
Personnel and their Families**

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 receiving support of \$1,000,000 or more.
 - 8.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
 - 8.2. If Condition A exists, the Contractor shall submit an annual Single Audit performed by an independent Certified Public Accountant (CPA) to dhhs.act@dhhs.nh.gov 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

MS

**New Hampshire Department of Health and Human Services
Physical Fitness and Wellness Reimbursement Benefit for Active NH Military
Personnel and their Families**

EXHIBIT C

Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department all payments made under the Agreement to which exception has been taken, or which have been disallowed because of such an exception.

MS

Exhibit C-1 Budget Sheet

SS-2024-DBH-25-PHYSI-01

New Hampshire Department of Health and Human Services Complete one budget form for each budget period. Contractor Name: The Granite Young Men's Christian Association Budget Request for: Physical Fitness & Wellness Reimbursement Budget Period: 8/1/24 July 1, 2023 through June 30, 2024 Indirect Cost Rate (if applicable) 1.17%	
Line Item	Program Cost - Funded by Grants
1. Salaries & Wages	170,000
2. Fringe Benefits	14,500
3. Commodity	11,100
4. Equipment <small>Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.</small>	\$0
4(a) Supplies - Educational	1,200
4(b) Supplies - Lab	10
4(c) Supplies - Pharmacy	10
4(d) Supplies - Medical	10
4(e) Supplies - Other	10
5. Travel	10
6. Rentals	10
6 (a) Other - Intellectual Communications	10
6 (b) Other - Education and Training	10
6 (c) Other - Other (specify below)	10
Materials	82,400
Wellness Reimbursement	8300,710
Other (specify below)	\$0
Other (specify below)	\$0
9. Subcontract Contracts	\$0
Total Direct Costs	1391,382
Total Indirect Costs	16,616
TOTAL	1407,998

AS

Contractor Initials _____

1/11/2025

Date _____

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

Contractor Initials

MS

New Hampshire Department of Health and Human Services

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.

Contractor Initials

MS

New Hampshire Department of Health and Human Services

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.

Contractor Initials

DS
MS

New Hampshire Department of Health and Human Services

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.

Contractor Initials

MS

New Hampshire Department of Health and Human Services

Exhibit D

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.).

Contractor Initials

MS

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

Contractor Initials

MS

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/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
 - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
 - b. safeguard this information at all times.
 - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.

Contractor Initials

MS

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;

Contractor Initials

MS

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