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

Lori A. Weaver
Commissioner

Katja S. Fox
Director

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October 29, 2024

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, to enter into a **Sole Source** contract with Manchester Alcoholism Rehabilitation Center (VC# 177204), Manchester, NH, in the amount of \$2,259,878 to provide funds to assist with stabilizing the programmatic and financial operations of Substance Use Disorder (SUD) services negatively impacted by uncompensated care, with the option to renew for up to two (2) additional years, effective upon Governor and Council approval through June 30, 2026. 99.9% Federal Funds. .1% General Funds.

Funds are available in the following account for State Fiscal Year 2025, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust budget line items within the price limitation through the Budget Office, if needed and justified.

05-95-94-940010-2465 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: NEW HAMPSHIRE HOSPITAL, ARPA DHHS FISCAL RECOVERY FUND

State Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2025	102-500731	Contracts for Prgm Svc	00FRF602PH9543A	\$2,257,620
			<i>Subtotal</i>	\$2,257,620

05-95-92-920510-33840000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF DRUG & ALCOHOL SERVICES, CLINICAL SERVICES

State Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2025	102-500731	Contracts for Prgm Svc	92056505	\$2,258
			<i>Subtotal</i>	\$2,258
			Total	\$2,259,878

EXPLANATION

This request is **Sole Source** because it was not competitively bid. This action is pursuant to an accept and expend request approved by the Governor and Council (March 13, 2024, Item #7) and Fiscal Committee (March 15, 2024, Item # FIS 24-094) to address the need to identify and implement sustainable solutions to stabilize programmatic and financial operations of Substance Use Disorder (SUD) services negatively impacted as a result of increased uncompensated care. The Department contracts with Manchester Alcoholism Rehabilitation Center for the provision of SUD treatment services through a separate contract that was originally competitively bid.

The purpose of this request is for the Department to provide funds to the Contractor to assist with stabilizing the programmatic and financial operations of its SUD treatment services, negatively impacted by increased uncompensated care related to the end of continuous Medicaid coverage under the Public Health Emergency to support access for those individuals who require continuation of services.

The Contractor will engage in a two-phased approach designed to identify and implement sustainable solutions for the provision of SUD treatment services. During the first phase, the Contractor will identify programmatic innovations and best practices; evaluate existing practices; and conduct research and an operational and financial analysis to stabilize and expand outpatient substance use disorder services. During the second phase, the Contractor will conduct program implementation and sustainability planning based on solutions identified in Phase I. The Contractor will enhance engagement practices focused on those with complex needs; provide integrated, co-occurring outpatient care; implement targeted, grassroots marketing practices; and develop a financial sustainability plan that includes payment design strategies that better leverage reimbursement to support care coordination, transportation, and related complementary services. Under this agreement, the Department will also provide a one-time payment to the Contractor to stabilize operating losses experienced due to the impacts of increased uncompensated care based on the Contractor's financial statements submitted as of August 31, 2024.

The Department will monitor services by reviewing required monthly progress reports, and interim and final reports provided by the Contractor.

As referenced in Exhibit A, Revisions to Standard Agreement Provisions, of the attached agreement, the parties have the option to extend the agreement for up two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval.

Should the Governor and Council not authorize this request, the Contractor will not receive this funding to assist with stabilizing the programmatic and financial operations of its SUD treatment services, which could negatively impact patient care.

Area served: Statewide.

Source of Federal Funds: Assistance Listing Number #21.027, FAIN # SLFRP0145.

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

Respectfully submitted,



for:

Lori A. Weaver
Commissioner

Subject: Sustainable Solutions for SUD Services (SS-2025-DBH-28-SUSTA-01)

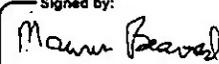
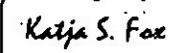
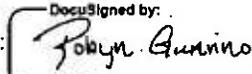
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

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 Manchester Alcoholism Rehabilitation Center		1.4 Contractor Address 555 Auburn Street Manchester, NH 03103	
1.5 Contractor Phone Number 603-622-3020	1.6 Account Unit and Class TBD	1.7 Completion Date June 30, 2026	1.8 Price Limitation \$2,259,878
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature Signed by:  Date: 10/23/2024		1.12 Name and Title of Contractor Signatory Maureen Beauregard President/CEO	
1.13 State Agency Signature DocuSigned by:  Date: 10/23/2024		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: 10/28/2024			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

3.3 Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

5.2 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8. The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance

hereof, and shall be the only and the complete compensation to the Contractor for the Services.

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

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

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

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws and the Governor's order on Respect and Civility in the Workplace, Executive order 2020-01. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of age, sex, sexual orientation, race, color, marital status, physical or mental disability, religious creed, national origin, gender identity, or gender expression, and will take affirmative action to prevent such discrimination, unless exempt by state or federal law. The Contractor shall ensure any subcontractors comply with these nondiscrimination requirements.

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

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

7. PERSONNEL.

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

7.2 The Contracting Officer specified in block 1.9, or any successor, shall be the State's point of contact pertaining to this Agreement.

Contractor Initials 
Date 10/23/2024

8. EVENT OF DEFAULT/REMEDIES.

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

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

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

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

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

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

9. TERMINATION.

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

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) calendar days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. In addition, at the State's discretion, the Contractor shall, within fifteen (15) calendar days of notice of early termination, develop and submit to the State a transition plan for Services under the Agreement.

10. PROPERTY OWNERSHIP/DISCLOSURE.

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

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

10.3 Disclosure of data, information and other records shall be governed by N.H. RSA chapter 91-A and/or other applicable law. Disclosure requires prior written approval of the State.

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 Contractor shall provide the State written notice at least fifteen (15) calendar days before any proposed assignment, delegation, or other transfer of any interest in this Agreement. No such assignment, delegation, or other transfer shall be effective without the written consent of the State.

12.2 For purposes of paragraph 12, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

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

12.4 The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. The Contractor shall indemnify, defend, and hold harmless the State, its officers, and employees from and against all actions, claims, damages, demands, judgments, fines, liabilities, losses, and other expenses, including, without limitation, reasonable attorneys' fees, arising out of or relating to this Agreement directly or indirectly arising from death, personal injury, property damage, intellectual property infringement, or other claims asserted against the State, its officers, or employees caused by the acts or omissions of negligence, reckless or willful misconduct, or fraud by the Contractor, its employees, agents, or subcontractors. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the State's sovereign immunity, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

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

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

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

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or any successor, a certificate(s) of insurance for all insurance required under this Agreement. At the request of the Contracting Officer, or any successor, the Contractor shall provide certificate(s) of insurance for all renewal(s) of insurance required under this Agreement. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

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

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

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

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

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

19. CHOICE OF LAW AND FORUM.

19.1 This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire except where the Federal supremacy clause requires otherwise. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

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

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

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

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

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

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

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

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

**New Hampshire Department of Health and Human Services
Sustainable Solutions for SUD Services
EXHIBIT A**

Revisions to Standard Agreement Provisions

1. Revisions to Form P-37, General Provisions

1.1. Paragraph 3, Effective Date/Completion of Services, is amended by deleting subparagraph 3.3 in its entirety and replacing it as follows:

3.3. Contractor must complete all Services by the Completion Date specified in block 1.7. The parties may extend the Agreement for up to two (2) additional years from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

1.2. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.5 as follows:

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

**New Hampshire Department of Health and Human Services
Sustainable Solutions for SUD Services**

EXHIBIT B

Scope of Services

1. Statement of Work

1.1. The Contractor must identify and implement solutions to improve the sustainability of Substance Use Disorder (SUD) services by conducting a two-phased approach:

1.1.1. Phase I: Identification of programmatic innovations and best practices, and financial analysis.

1.1.2. Phase II: Program implementation and sustainability planning.

1.2. The Contractor must ensure services referenced under this Agreement are available in Manchester and Franklin, NH and serve individuals statewide.

1.3. **Phase I: Identification of Programmatic Innovations and Best Practices Research and Financial Analysis**

1.3.1. The Contractor must research and conduct operational and financial analyses designed to identify innovative SUD treatment practices to stabilize and expand outpatient substance use disorder services and to ensure access to an array of treatment options for individuals with increased barriers to care, including, but not limited to those who:

1.3.1.1. Are low income.

1.3.1.2. Underinsured or uninsured.

1.3.1.3. Reside in rural areas.

1.3.1.4. Have a history of military service.

1.3.1.5. Are experiencing homelessness or are at risk of becoming homeless.

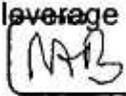
1.3.2. The Contractor must conduct the operational and financial analysis with assistance from external consultant(s) with relevant expertise in the provision of financially stable and evidence-based SUD treatment services. The Contractor must ensure consultation includes:

1.3.2.1. Evaluation of existing financial model;

1.3.2.2. Identification of best practices and opportunities to improve revenue to ensure long-term financial solvency, including an in-depth review of third-party claiming processes, examining payer mixes, and claims process;

1.3.2.3. Financial and workflow analysis to leverage additional revenue and other opportunities to promote sustainability; and

1.3.2.4. Payment design strategies that better leverage



**New Hampshire Department of Health and Human Services
Sustainable Solutions for SUD Services**

EXHIBIT B

reimbursement to support care coordination, transportation, and related complementary services that address the social determinants of health for individuals experiencing substance use disorder

1.3.3. The Contractor must document findings and action steps based on analysis of data collected and identified innovations and best practices as described in Section 1.3.

1.4. Phase II: Program Implementation and Sustainability Planning

1.4.1. The Contractor must implement programming, best practices, service models, and other solutions identified through Phase I. The Contractor must:

1.4.1.1. Enhance engagement practices to focus on those with complex needs through the provision of enhanced care coordination, which may include:

1.4.1.1.1. Establishing a dedicated outreach team trained in the intake process to immediately connect individuals ready to seek treatment;

1.4.1.1.2. Providing transportation to individuals who face barriers to accessing treatment; and/or

1.4.1.1.3. Increasing support for family members to equip them to assist loved ones with accessing services.

1.4.1.2. Enhance the existing service array by:

1.4.1.2.1. Providing integrated, co-occurring outpatient care;

1.4.1.2.2. Meeting the needs of a broader segment of the population including individuals:

1.4.1.2.2.1. Military personnel and veterans;

1.4.1.2.2.2. In rural areas; and

1.4.1.2.2.3. In need of flexible treatment options by offering evening and weekend hours and telehealth; and

1.4.1.2.3. Establishing outpatient SUD treatment services located in Franklin, NH.

1.4.1.3. Implement targeted, grassroots marketing practices to ensure that those in need of treatment are aware of



**New Hampshire Department of Health and Human Services
Sustainable Solutions for SUD Services**

EXHIBIT B

services.

- 1.4.1.4. Implement other programming, best practices, service models, and other solutions as appropriate and as identified through Phase I.
- 1.4.2. The Contractor must provide qualified personnel to conduct the implementation activities and service enhancements as described above, which must include, at a minimum:
 - 1.4.2.1. One (1) Full-Time Equivalent (FTE) Director of Adult Clinical Services to focus on integrating SUD outpatient services for individuals experiencing co-occurring SUD and mental health issues;
 - 1.4.2.2. One (1) FTE Director of Veteran SUD Services to enhance expertise in the provision of culturally effective SUD treatment for members of the military, veterans and their families;
 - 1.4.2.3. One (1) FTE Clinical Staff and one (1) FTE Clinical Liaison to increase access to treatment for individuals in need of flexible treatment options including nights, weekends and telehealth;
 - 1.4.2.4. Two (2) FTE Clinical Staff and one (1) FTE Clinical Liaison to provide high quality outpatient services to the military and veteran population residing in more northern areas of New Hampshire and/or who visit the Contractor's Military and Veterans Campus; and
 - 1.4.2.5. One (1) FTE Care Coordinator to provide coordination services that ensure seamless access to SUD treatment and other needed services.
- 1.4.3. The Contractor must provide all necessary training and technical assistance to the Contractor's personnel to ensure they are able to perform the required duties and serve the target population.
- 1.4.4. The Contractor must develop a plan for financial sustainability, which must include the identification of and strategy to implement alternative financing models and payment design strategies that better leverage reimbursement to support care coordination, transportation, and related complementary services.
- 1.4.5. The Contractor must document findings and action steps based on analysis of data collected as described in Section 1.4.
- 1.5. The Contractor must participate in meetings with the Department on a quarterly basis, or as otherwise requested by the Department.

Initial
MAB

**New Hampshire Department of Health and Human Services
Sustainable Solutions for SUD Services**

EXHIBIT B

1.6. Reporting

- 1.6.1. The Contractor must submit monthly progress reports detailing the status of activities described in this Scope of Services.
- 1.6.2. On or before June 30, 2025, the Contractor must prepare and submit:
 - 1.6.2.1. An interim report to the Department that includes findings and action steps based on analysis of data collected and identified innovations and best practices as described in Section 1.3.; and
 - 1.6.2.2. An interim report to the Department that includes findings and action steps based the implementation of innovations and best practices as described in Section 1.4.
- 1.6.3. On or before June 30, 2026, the Contractor must prepare and submit:
 - 1.6.3.1. A final report to the Department that includes findings and action steps based on analysis of data collected and identified innovations and best practices as described in Section 1.3.; and
 - 1.6.3.2. A final report to the Department that includes findings and action steps based on the implementation of identified innovations and best practices as described in Section 1.4.
- 1.6.4. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.

2. Additional Requirements

2.1. Background Checks

- 2.1.1. Prior to permitting any individual to provide services under this Agreement, the Contractor must ensure that said individual has undergone:
 - 2.1.1.1. A criminal background check, at the Contractor's expense, and has no convictions for crimes that represent evidence of behavior that could endanger individuals served under this Agreement;
 - 2.1.1.2. A name search of the Department's Bureau of Adult and Aging Services (BAAS) State Registry, pursuant to RSA 161-F:49, with results indicating no evidence of behavior that could endanger individuals served under this Agreement; and
 - 2.1.1.3. A name search of the Department's Division for Children, Youth and Families (DCYF) Central Registry pursuant to RSA 169-C:35, with results indicating no evidence of

**New Hampshire Department of Health and Human Services
Sustainable Solutions for SUD Services**

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behavior that could endanger individuals served under this Agreement.

2.2. Confidential Data

2.2.1. The Contractor must meet all information security and privacy requirements as set by the Department and in accordance with the Department's Information Security Requirements Exhibit as referenced below.

2.2.2. The Contractor must ensure any individuals involved in delivering services through this Agreement contract sign an attestation agreeing to access, view, store, and discuss Confidential Data in accordance with federal and state laws and regulations and the Department's Information Security Requirements Exhibit. The Contractor must ensure said individuals have a justifiable business need to access confidential data. The Contractor must provide attestations upon Department request.

2.3. Privacy Impact Assessment

2.3.1. Upon request, the Contractor must allow and assist the Department in conducting a Privacy Impact Assessment (PIA) of its system(s)/application(s)/web portal(s)/website(s) or Department system(s)/application(s)/web portal(s)/website(s) hosted by the Contractor, if Personally Identifiable Information (PII) is collected, used, accessed, shared, or stored. To conduct the PIA the Contractor must provide the Department access to applicable systems and documentation sufficient to allow the Department to assess, at minimum, the following:

2.3.1.1. How PII is gathered and stored;

2.3.1.2. Who will have access to PII;

2.3.1.3. How PII will be used in the system;

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

2.3.1.5. Privacy practices.

2.3.2. The Department may conduct follow-up PIAs in the event there are either significant process changes or new technologies impacting the collection, processing or storage of PII.

2.4. Contract End-of-Life Transition Services

2.4.1. General Requirements

2.4.1.1. If applicable, upon early termination or expiration of the Agreement the parties agree to cooperate in good faith to

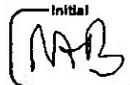


**New Hampshire Department of Health and Human Services
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effectuate a secure transition of the services ("Transition Services") from the Contractor to the Department and, if applicable, the new Contractor ("Recipient") engaged by the Department to assume the services. Ninety (90) days prior to the end-of the contract or unless otherwise specified by the Department, the Contractor must begin working with the Department and if applicable, the Recipient to develop a Data Transition Plan (DTP). The Department shall provide the DTP template to the Contractor.

- 2.4.1.2. The Contractor must assist the Recipient, in connection with the transition from the performance of Services by the Contractor and its End Users to the performance of such Services. This may include assistance with the secure transfer of records (electronic and hard copy), transition of historical data (electronic and hard copy), the transition of any such Service from the hardware, software, network and telecommunications equipment and internet-related information technology infrastructure ("Internal IT Systems") of Contractor to the Internal IT Systems of the Recipient and cooperation with and assistance to any third-party consultants engaged by Recipient in connection with the Transition Services.
- 2.4.1.3. If a system, database, hardware, software, and/or software licenses (Tools) was purchased or created to manage, track, and/or store Department Data in relationship to this contract said Tools will be inventoried and returned to the Department, along with the inventory document, once transition of Department data is complete.
- 2.4.1.4. The internal planning of the Transition Services by the Contractor and its End Users shall be provided to the Department and if applicable the Recipient in a timely manner. Any such Transition Services shall be deemed to be Services for purposes of this Agreement.
- 2.4.1.5. In the event the data Transition extend beyond the end of the Agreement, the Contractor agrees that the Information Security Requirements, and if applicable, the Department's Business Associate Agreement terms and conditions remain in effect until the Data Transition is accepted as complete by the Department.

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- 2.4.1.6. In the event the Contractor has comingled Department Data and the destruction or Transition of said data is not feasible, the Department and Contractor will jointly evaluate regulatory and professional standards for retention requirements prior to destruction, refer to the terms and conditions of the Department's DHHS Information Security Requirements Exhibit.
- 2.4.2. Completion of Transition Services
- 2.4.2.1. Each service or transition phase shall be deemed completed (and the transition process finalized) at the end of 15 business days after the product, resulting from the Service, is delivered to the Department and/or the Recipient in accordance with the mutually agreed upon Transition plan, unless within said 15 business day term the Contractor notifies the Department of an issue requiring additional time to complete said product.
- 2.4.2.2. Once all parties agree the data has been migrated the Contractor will have 30 days to destroy the data per the terms and conditions of the Department's Information Security Requirements Exhibit.
- 2.4.3. Disagreement over Transition Services Results
- 2.4.3.1. In the event the Department is not satisfied with the results of the Transition Service, the Department shall notify the Contractor, in writing, stating the reason for the lack of satisfaction within 15 business days of the final product or at any time during the data Transition process. The Parties shall discuss the actions to be taken to resolve the disagreement or issue. If an agreement is not reached, at any time the Department shall be entitled to initiate actions in accordance with the Agreement.

3. Exhibits Incorporated

- 3.1. The Contractor must comply with all Exhibit D Federal Requirements, which are attached hereto and incorporated by reference herein.
- 3.2. The Contractor must manage all confidential data related to this Agreement in accordance with the terms of Exhibit E, DHHS Information Security Requirements.
- 3.3. The Contractor must use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule) (45 CFR Parts 160 and 164) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996,



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accordance with the attached Exhibit F, Business Associate Agreement, which has been executed by the parties

4. Additional Terms

4.1. Impacts Resulting from Court Orders or Legislative Changes

4.1.1. 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.

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

4.2.1. The Contractor must submit:

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

4.2.1.2. A written attestation, within 45 days of the Effective Date of the Agreement and annually thereafter, that all personnel involved the provision of services to individuals under this Agreement have completed, within the last 12 months, the Contractor Required Training Video on Civil Rights-related Provisions in DHHS Procurement Processes, which is accessible on the Department's website (<https://www.dhhs.nh.gov/doing-business-dhhs/civil-right-compliance-dhhs-vendors>); and

4.2.1.3. The Department's Federal Civil Rights Compliance Checklist within ten (10) days of the Effective Date of the Agreement. The Federal Civil Rights Compliance Checklist must have been completed within the last 12 months and is accessible on the Department's website (<https://www.dhhs.nh.gov/doing-business-dhhs/civil-right-compliance-dhhs-vendors>).

4.3. Credits and Copyright Ownership

4.3.1. 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:

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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."

- 4.3.2. All materials produced or purchased under the Agreement must have prior approval from the Department before printing, production, distribution or use.
- 4.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to reports, protocols, guidelines, brochures, posters, and resource directories.
- 4.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

4.4. Operation of Facilities: Compliance with Laws and Regulations

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

5. Records

- 5.1. The Contractor must keep records that include, but are not limited to:
 - 5.1.1. 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.
 - 5.1.2. 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

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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.

- 5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records must include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 5.2. 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.
- 5.3. If, upon further review, 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.

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Payment Terms

1. This Agreement is funded by:
 - 1.1. 99.9%, grant to the State of New Hampshire ("State") and subsequently through the Governor's Office for Emergency Relief and Recovery ("GOFERR") and the Department as approved by the Governor and Executive Council from the federal government through the Department of Treasury ("Treasury") through the American Rescue Plan Act of 2021 ("ARPA"), with 100% of the source of funds being the State and Local Fiscal Recovery Funds ("SLFRF") identified under the Catalog of Federal Domestic Assistance ("CFDA") number #21.027. The Federal Award Identification Number ("FAIN") for this award is SLFRP0145. This grant award is a subaward of SLFRF funds and any and all compliance requirements, as updated by Treasury, for use of SLFRF funds are applicable to the Subrecipient, without further notice. Treasury requirements are published and updated at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>.
 - 1.2. .1% General funds
2. For the purposes of this Agreement the Department has identified:
 - 2.1. The Contractor as a Subrecipient, based on criteria specified in 2 CFR 200.331.
 - 2.2. The Agreement as NON-R&D, in accordance with 2 CFR §200.332.
 - 2.3. The Indirect Cost Rate for this Agreement in the attached Budget Sheet.
3. **One-Time Payment – Operating Losses**
 - 3.1. In order to receive a one-time payment for operating losses, the Contractor must submit the following financial statements via email DHHS.FinancialRatios@dhhs.nh.gov to the Department:
 - 3.2. Contractor's Fiscal Year 2024 (September 1 – August 31) Balance Sheet for the Contractor's entire organization including all related parties;
 - 3.2.1. Year-to-date Profit and Loss Statement for the Contractor's entire organization that includes, for all related parties:
 - 3.2.1.1. All revenue sources and expenditures; and
 - 3.2.1.2. A budget column allowing for budget to actual analysis;
 - 3.2.2. Year-to-date Profit and Loss Statement for the Program funded under this Agreement that includes:

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Sustainable Solutions for SUD Services
EXHIBIT C**

- 3.2.2.1. All revenue sources and all related expenditures for the Program; and
- 3.2.2.2. A budget column allowing for budget to actual analysis; and
- 3.2.3. Year-to-date Cash Flow Statement for the Contractor's entire organization including all related parties.
- 3.3. Payment shall be made to compensate the Contractor's operating losses as of August 31, 2024, based on the Contractor's submitted financial statements specified above, not to exceed the amount specified in Exhibit C-1, Budget, Other (Operating Losses) line item.
 - 3.3.1. The Department shall make payment to the Contractor within thirty (30) days of receipt and approval of the information described in Section 3.
- 4. **Cost Reimbursement – Identification and Implementation of Sustainable Solutions**
 - 4.1. Excluding the one-time payment specified in Section 3 above, payment shall be on a cost reimbursement basis for actual allowable expenditures incurred under this Agreement for the provision of services as specified in Exhibit B, Scope of Services, Section 1, Statement of Work, in accordance with the approved line items as specified in Exhibit C-1, Budget.
 - 4.2. The Contractor shall submit an invoice to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor shall ensure each invoice:
 - 4.2.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
 - 4.2.2. Is submitted in a format as provided by or otherwise acceptable to the Department.
 - 4.2.3. Identifies and requests payment in accordance with Section 3 above.
 - 4.2.4. Includes supporting documentation with each invoice, including, but not limited to, proof of expenditures, itemized receipts for purchases, time sheets, and payroll records with position or staff detail, as applicable.
 - 4.2.5. Is completed, dated and returned to the Department to initiate payment.

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4.2.6. Is assigned an electronic signature and is emailed to invoicesforcontracts@dhhs.nh.gov or mailed to:

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

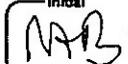
5. The Department shall make payments to the Contractor within thirty (30) calendar days only upon receipt and approval of the submitted invoice and required supporting documentation.
6. The final invoice and any required supporting documentation shall be due to the Department no later than forty (40) calendar days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
7. Notwithstanding Paragraph 18 of the General Provisions Form P-37, changes limited to adjusting direct and indirect cost amounts within the price limitation between budget class lines, as well as adjusting encumbrances between State Fiscal Years 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 is subject to a Single Audit pursuant to 2 CFR 200.501 Audit Requirements.
 - 8.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b.
 - 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

**New Hampshire Department of Health and Human Services
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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. The Contractor, regardless of the funding source and/or whether Conditions A, B, or C exist, may be required to submit annual financial audits performed by an independent CPA upon request by the Department.
- 8.5. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions 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, within sixty (60) days.
9. If applicable, the Contractor must request disposition instructions from the Department for any equipment, as defined in 2 CFR 200.313, purchased using funds provided under this Agreement, including information technology systems.

New Hampshire Department of Health and Human Services Contractor Name: <i>Manchester Alcoholism Rehabilitation Center</i> Budget Request for: <i>Sustainable Solutions for SUD Services</i> Budget Period: <i>SFY25-26</i> Indirect Cost Rate (if applicable) 10.00%		
Line Item	Program Cost - Funded by DHHS - SFY 25	Program Cost - Funded by DHHS - SFY 26
1. Salary & Wages	\$176,836	\$573,998
2. Fringe Benefits	\$50,402	\$163,586
3. Consultants	\$60,000	\$0
4. Equipment		
Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	\$0	\$0
5.(a) Supplies - Educational	\$0	\$0
5.(b) Supplies - Lab	\$0	\$0
5.(c) Supplies - Pharmacy	\$0	\$0
5.(d) Supplies - Medical	\$0	\$0
5.(e) Supplies - Office	\$20,000	\$15,000
6. Travel	\$4,998	\$10,002
7. Software	\$0	\$0
8. (a) Other - Marketing/Communications	\$48,685	\$83,458
8. (b) Other - Education and Training	\$18,424	\$31,576
8. (c) Other - Other (specify below)	\$0	\$0
<i>Other (Operational Losses)</i>	\$797,469	\$0
<i>Other (Operational Losses)</i>	\$0	\$0
<i>Other (please specify)</i>	\$0	\$0
<i>Other (please specify)</i>	\$0	\$0
<i>Other (please specify)</i>	\$0	\$0
<i>Other (please specify)</i>	\$0	\$0
<i>Other (please specify)</i>	\$0	\$0
9. Subrecipient Contracts	\$0	\$0
Total Direct Costs	\$1,176,814	\$877,620
Total Indirect Costs	\$117,682	\$87,762
Subtotals	\$1,294,496	\$965,382
	TOTAL	\$2,259,878

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Contractor Initials: _____
 Date: 10/23/2024

New Hampshire Department of Health and Human Services Exhibit D – Federal Requirements

SECTION A: CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR CONTRACTORS OTHER THAN INDIVIDUALS

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

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

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

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

New Hampshire Department of Health and Human Services Exhibit D – Federal Requirements

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

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

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

New Hampshire Department of Health and Human Services Exhibit D – Federal Requirements

SECTION B: CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, loan, or cooperative agreement (and by specific mention sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, loan, or cooperative agreement (and by specific mention sub- contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, see <https://omb.report/ici/201009-0348-022/doc/20388401>
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

New Hampshire Department of Health and Human Services Exhibit D – Federal Requirements

SECTION C: CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 12689 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this Agreement, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this Agreement is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See <https://www.govinfo.gov/app/details/CFR-2004-title45-vol1/CFR-2004-title45-vol1-part76/context>.
6. The prospective primary participant agrees by submitting this Agreement that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties) <https://www.ecfr.gov/current/title-22/chapter-V/part-513>.

New Hampshire Department of Health and Human Services Exhibit D – Federal Requirements

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

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

New Hampshire Department of Health and Human Services Exhibit D – Federal Requirements

SECTION D: CERTIFICATION OF COMPLIANCE WITH FEDERAL REQUIREMENTS

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

The Contractor will comply, and will require any subcontractors to comply, with any applicable federal requirements, which may include but are not limited to:

1. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200).
2. The Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;
3. The Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;
4. The Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);
5. The Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;
6. The Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;
7. The Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;
8. The Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;
9. 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;
10. 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.
11. The Clean Air Act (42 U.S.C. 7401-7671q.) which seeks to protect human health and the environment from emissions that pollute ambient, or outdoor, air.

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Exhibit D
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New Hampshire Department of Health and Human Services Exhibit D – Federal Requirements

12. The Clean Water Act (33 U.S.C. 1251-1387) which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters.
13. Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) (41 U.S.C. 1908) which establishes administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
14. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708) which establishes that all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5).
15. Rights to Inventions Made Under a Contract or Agreement 37 CFR § 401.2 (a) which establishes the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

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

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

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

1. By signing and submitting this Agreement, the Contractor agrees to comply with the provisions indicated above.

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New Hampshire Department of Health and Human Services Exhibit D – Federal Requirements

SECTION E: CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

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SECTION F: CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$30,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$30,000 or more. If the initial award is below \$30,000 but subsequent grant modifications result in a total award equal to or over \$30,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

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

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique Entity Identifier (SAM UEI; DUNS#)
10. Total compensation and names of the top five executives if:
 - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
 - 10.2. Compensation information is not already available through reporting to the SEC.
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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

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

New Hampshire Department of Health and Human Services Exhibit D – Federal Requirements

FORM A

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

U3MLZH9Z4MK5

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

_____ NO X YES

If the answer to #2 above is NO, stop here
If the answer to #2 above is YES, please answer the following:

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

_____ NO X YES

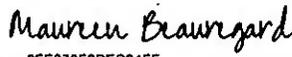
If the answer to #3 above is YES, stop here
If the answer to #3 above is NO, please answer the following:

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

Name: _____	Amount: _____

Contractor Name: Manchester Alcoholism Rehabilitation Center

10/28/2024
Date: _____

Signed by:

65E078E8DECF45E
 Name: Maureen Beauregard
 Title: President/CEO

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Exhibit E

DHHS Information Security Requirements

A. Definitions

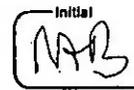
The following terms may be reflected and have the described meaning in this document:

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

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

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

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Exhibit E

DHHS Information Security Requirements

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

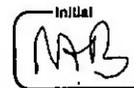
7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and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

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

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

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

II. METHODS OF SECURE TRANSMISSION OF DATA

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

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

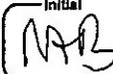
III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

A. Retention

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

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DHHS Information Security Requirements

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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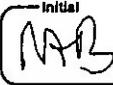
New Hampshire Department of Health and Human Services

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DHHS Information Security Requirements

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

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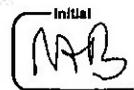
DHHS Information Security Requirements

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/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and 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

Initial


New Hampshire Department of Health and Human Services

Exhibit E

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.

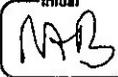
V. LOSS REPORTING

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

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements

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

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

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov B.

DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

New Hampshire Department of Health and Human Services

Exhibit F

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

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

(3) Obligations and Activities of Business Associate.

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

Exhibit F

Contractor Initials

^{Initial}
MB

New Hampshire Department of Health and Human Services

Exhibit F

- II. The unauthorized person who accessed, used, disclosed, or received the protected health information;
 - III. Whether the protected health information was actually acquired or viewed; and
 - IV. How the risk of loss of confidentiality to the protected health information has been mitigated.
- e. The Business Associate shall complete a risk assessment report at the conclusion of its incident or breach investigation and provide the findings in a written report to the Covered Entity as soon as practicable after the conclusion of the Business Associate's investigation.
 - f. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the US Secretary of Health and Human Services for purposes of determining the Business Associate's and the Covered Entity's compliance with HIPAA and the Privacy and Security Rule, and Part 2, if applicable.
 - g. Business Associate shall require all of its business associates that receive, use or have access to PHI under the BAA to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein and an agreement that the Covered Entity shall be considered a direct third party beneficiary of all the Business Associate's business associate agreements.
 - h. Within ten (10) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the BAA and the Agreement.
 - i. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
 - j. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
 - k. Business Associate shall document any disclosures of PHI and information related to any disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
 - l. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
 - m. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within five (5) MB

Exhibit F

Contractor Initials

New Hampshire Department of Health and Human Services

Exhibit F

business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

- n. Within thirty (30) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-ups of such PHI in any form or platform.
 - i. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, or if retention is governed by state or federal law, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible for as long as the Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

Covered Entity shall post a current version of the Notice of the Privacy Practices on the Covered Entity's website: <https://www.dhhs.nh.gov/oos/hipaa/publications.htm> in accordance with 45 CFR Section 164.520.

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

(5) Termination of Agreement for Cause

In addition to the General Provisions (P-37) of the Agreement, the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a material breach by Business Associate of the Business Associate Agreement. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity.

(6) Miscellaneous

- a. Definitions, Laws, and Regulatory References. All laws and regulations used, herein, shall refer to those laws and regulations as amended from time to time. A reference in the Agreement, as amended to include this Exhibit F, to a Section in HIPAA or 42 Part 2, means the Section as in effect or as amended.

- b. Change in law. Covered Entity and Business Associate agree to take such action as is necessary from time to time for the Covered Entity and/or Business Associate

Exhibit F

Contractor Initials MB

New Hampshire Department of Health and Human Services

Exhibit F

comply with the changes in the requirements of HIPAA, 42 CFR Part 2 other applicable federal and state law.

- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
d. Interpretation. The parties agree that any ambiguity in the BAA and the Agreement shall be resolved to permit Covered Entity and the Business Associate to comply with HIPAA and 42 CFR Part 2.
e. Segregation. If any term or condition of this BAA or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this BAA are declared severable.
f. Survival. Provisions in this BAA regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the BAA in section (3) n.l., the defense and indemnification provisions of section (3) g. and Paragraph 13 of the General Provisions (P-37) of the Agreement, shall survive the termination of the BAA

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

Department of Health and Human Services

Manchester Alcoholism Rehabilitation Center

The State

Name of the Contractor

DocuSigned by:

Katja S. Fox

EP9905584663442

Signed by:

Maureen Beauregard

8550785105C345E

Signature of Authorized Representative

Signature of Authorized Representative

Katja S. Fox

Maureen Beauregard

Name of Authorized Representative

Name of Authorized Representative

Director

President/CEO

Title of Authorized Representative

Title of Authorized Representative

10/28/2024

10/28/2024

Date

Date

Exhibit F

Contractor Initials

Initial
MB

10/28/2024
Date

State of New Hampshire

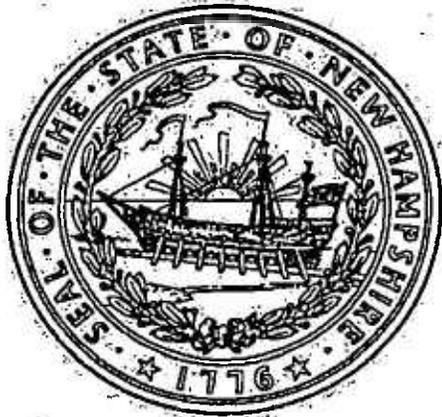
Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that MANCHESTER ALCOHOLISM REHABILITATION CENTER is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on February 19, 1980. 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: 61650

Certificate Number: 0005774613



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 9th day of May A.D. 2022.

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

David M. Scanlan
Secretary of State

CERTIFICATE OF AUTHORITY

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

1. I am a duly elected Clerk/Secretary/Officer of Manchester Alcoholism Rehabilitation Center.
(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 October 11, 2023, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Maureen Beauregard, President & CEO; Catherine Kuhn, Chief Operating Officer; Tina Sharby, Chief Human Resources Officer; Peter Hastings, Chief Information Officer; Pamela Hawkes, Chief Development Officer; Michele Talwani, SVP Marketing & Communications and Bradford E. Cook, General Counsel of the corporation.
(may list more than one person)
(Name and Title of Contract Signatory)

are duly authorized on behalf of Manchester Alcoholism Rehabilitation Center to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

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

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

Dated: October 28th, 2024



Signature of Elected Officer
Name: Cynthia Ross
Title: Assistant Secretary

DESCRIPTIONS (Continued from Page 1)

requires such status, and only with regard to the above referenced on behalf of the Named Insured. The General Liability policy contains a special endorsement with "Primary and Non-Contributory" wording.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/17/2024

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 be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Hays Companies, Inc. 980 Washington St., Suite 325 Dedham MA 02026	CONTACT NAME: Patricia MacDonald PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: Patricia.Macdonald@bbrown.com <table style="width: 100%; border: none;"> <tr> <td style="text-align: center; border: none;">INSURER(S) AFFORDING COVERAGE</td> <td style="text-align: center; border: none;">NAIC #</td> </tr> <tr> <td style="border: none;">INSURER A: The North River Insurance Company</td> <td style="border: none;">21105</td> </tr> <tr> <td style="border: none;">INSURER B:</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">INSURER C:</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">INSURER D:</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">INSURER E:</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">INSURER F:</td> <td style="border: none;"></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: The North River Insurance Company	21105	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															
INSURED Easter Seals New Hampshire, Inc 555 Auburn Street Manchester NH 03103															

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS																
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: _____						EACH OCCURRENCE \$ _____ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ _____ MED EXP (Any one person) \$ _____ PERSONAL & ADV INJURY \$ _____ GENERAL AGGREGATE \$ _____ PRODUCTS - COMP/OP AGG \$ _____ \$ _____																
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ _____ BODILY - INJURY (Per person) \$ _____ BODILY INJURY (Per accident) \$ _____ PROPERTY DAMAGE (Per accident) \$ _____ \$ _____																
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED _____ RETENTION \$ _____						EACH OCCURRENCE \$ _____ AGGREGATE \$ _____ \$ _____																
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	N/A	405-740231-9	1/1/2024	1/1/2025	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">X</td> <td style="text-align: center;">PER STATUTE</td> <td style="text-align: center;">OTH-ER</td> <td></td> </tr> <tr> <td></td> <td>E.L. EACH ACCIDENT</td> <td></td> <td style="text-align: right;">\$ 1,000,000</td> </tr> <tr> <td></td> <td>E.L. DISEASE - EA EMPLOYEE</td> <td></td> <td style="text-align: right;">\$ 1,000,000</td> </tr> <tr> <td></td> <td>E.L. DISEASE - POLICY LIMIT</td> <td></td> <td style="text-align: right;">\$ 1,000,000</td> </tr> </table>	X	PER STATUTE	OTH-ER			E.L. EACH ACCIDENT		\$ 1,000,000		E.L. DISEASE - EA EMPLOYEE		\$ 1,000,000		E.L. DISEASE - POLICY LIMIT		\$ 1,000,000
X	PER STATUTE	OTH-ER																					
	E.L. EACH ACCIDENT		\$ 1,000,000																				
	E.L. DISEASE - EA EMPLOYEE		\$ 1,000,000																				
	E.L. DISEASE - POLICY LIMIT		\$ 1,000,000																				

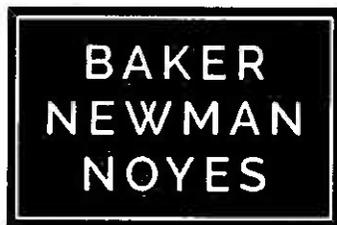
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Manchester Alcoholism Rehabilitation Center is listed as an Additional Named Insured under the Workers' Compensation policy where required by written contract.

CERTIFICATE HOLDER State of NH Dept. of Health & Human Services 129 Pleasant St. Concord, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Owen Callaghan/RASTAP <i>Owen F. Callaghan</i>
---	---



Mission:

Easterseals provides exceptional services to ensure that all people with disabilities or special needs and their families have equal opportunities to live, learn, work and play in their communities.



Easter Seals New Hampshire, Inc. and Subsidiaries

**Consolidated Financial Statements and
Other Financial Information**

*For the Years Ended August 31, 2023 and 2022
With Independent Auditors' Report*

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com



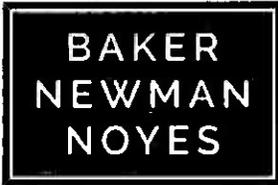
EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION**

For the Years Ended August 31, 2023 and 2022

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Easter Seals New Hampshire, Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH), which comprise the consolidated statements of financial position as of August 31, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Easter Seals NH as of August 31, 2023 and 2022, and the results of their operations, changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Notes 2 and 7 to the financial statements, in 2023, Easter Seals NH has changed their method of accounting for leases, effective September 1, 2022, due to the adoption of Accounting Standards Codification Topic 842, *Leases*. Our opinion is not modified with respect to this matter.

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 Directors
Easter Seals New Hampshire, Inc. and Subsidiaries

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 Easter Seals NH's ability to continue as a going concern for a period of within one year after the date that the financial statements are issued or available to be issued.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Easter Seals NH'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 Easter Seals NH's ability to continue as a going concern for a reasonable period of time.

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

Other Financial Information

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

Board of Directors
Easter Seals New Hampshire, Inc. and Subsidiaries

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023 on our consideration of Easter Seals NH's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Easter Seals NH's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Easter Seals NH's internal control over financial reporting and compliance.

Baker Newman & Noyes LLC
Manchester, New Hampshire
December 22, 2023

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 8,218,081	\$14,837,761
Restricted cash	99,784	79,819
Short-term investments, at fair value	10,230,068	10,055,639
Accounts receivable from related entity	1,818,919	394,316
Program and other accounts receivable	14,392,502	9,748,641
Contributions receivable, net	128,919	172,253
Prepaid expenses and other current assets	<u>1,404,684</u>	<u>907,909</u>
Total current assets	36,292,957	36,196,338
Assets limited as to use	1,972,288	1,837,445
Investments, at fair value	13,661,880	13,419,355
Investment in related entity	1,742	1,742
Other assets	327,763	349,154
Intangible assets	736,658	-
Operating lease right-of-use assets	2,651,831	-
Fixed assets, net	<u>28,576,337</u>	<u>27,216,243</u>
	<u>\$84,221,456</u>	<u>\$79,020,277</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 5,126,679	\$ 2,538,018
Accrued expenses	6,434,951	6,450,559
Deferred revenue	2,537,974	4,598,645
Current portion of operating lease liabilities	905,606	-
Current portion of interest rate swap agreement	15,663	579,174
Current portion of long-term debt	<u>1,021,877</u>	<u>1,016,962</u>
Total current liabilities	16,042,750	15,183,358
Other liabilities	2,212,980	2,130,322
Interest rate swap agreement, less current portion	516,017	416,010
Operating lease liabilities, less current portion	1,772,949	-
Long-term debt, less current portion, net	<u>16,843,611</u>	<u>17,861,006</u>
Total liabilities	37,388,307	35,590,696
Net assets:		
Without donor restrictions	40,782,371	37,450,866
With donor restrictions	<u>6,050,778</u>	<u>5,978,715</u>
Total net assets	<u>46,833,149</u>	<u>43,429,581</u>
	<u>\$84,221,456</u>	<u>\$79,020,277</u>

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue:			
Public support:			
Contributions, net	\$ 573,410	\$ 353,464	\$ 926,874
Special events, net of related direct costs of \$748,203	893,434	23,650	917,084
Annual campaigns, net of related direct costs of \$34,023	371,067	250	371,317
Bequests	141,913	-	141,913
Net assets released from restrictions	<u>367,288</u>	<u>(367,288)</u>	<u>-</u>
Total public support	2,347,112	10,076	2,357,188
Revenue:			
Fees and tuition	72,514,361	-	72,514,361
Grants	33,639,114	-	33,639,114
Gain on extinguishment of debt	750,000	-	750,000
Dividend and interest income	1,481,819	17,420	1,499,239
Rental income	28,892	-	28,892
Other	<u>134,805</u>	<u>-</u>	<u>134,805</u>
Total revenue	<u>108,548,991</u>	<u>17,420</u>	<u>108,566,411</u>
Total public support and revenue	110,896,103	27,496	110,923,599
Operating expenses:			
Program services:			
Public health education	18,834	-	18,834
Professional education	147,597	-	147,597
Direct services	<u>94,561,105</u>	<u>-</u>	<u>94,561,105</u>
Total program services	94,727,536	-	94,727,536
Supporting services:			
Management and general	10,706,017	-	10,706,017
Fundraising	<u>2,367,000</u>	<u>-</u>	<u>2,367,000</u>
Total supporting services	<u>13,073,017</u>	<u>-</u>	<u>13,073,017</u>
Total functional expenses	107,800,553	-	107,800,553
Support of National programs	<u>166,882</u>	<u>-</u>	<u>166,882</u>
Total operating expenses	<u>107,967,435</u>	<u>-</u>	<u>107,967,435</u>
Increase in net assets from operations	2,928,668	27,496	2,956,164

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

Year Ended August 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Other non-operating expenses, gains and losses:			
Change in fair value of interest rate swap	\$ 463,504	\$ -	\$ 463,504
Net unrealized and realized (losses) gains on investments, net	(71,744)	48,920	(22,824)
Decrease in fair value of beneficial interest in trust held by others	-	(4,353)	(4,353)
Gain on sales and disposals of fixed assets	<u>11,077</u>	<u>-</u>	<u>11,077</u>
	<u>402,837</u>	<u>44,567</u>	<u>447,404</u>
Total increase in net assets	3,331,505	72,063	3,403,568
Net assets at beginning of year	<u>37,450,866</u>	<u>5,978,715</u>	<u>43,429,581</u>
Net assets at end of year	<u>\$ 40,782,371</u>	<u>\$ 6,050,778</u>	<u>\$ 46,833,149</u>

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue:			
Public support:			
Contributions, net	\$ 764,760	\$ 368,967	\$ 1,133,727
Special events, net of related direct costs of \$1,018,200	1,891,609	83,710	1,975,319
Annual campaigns, net of related direct costs of \$43,900	232,664	16,362	249,026
Bequests	4,160	-	4,160
Net assets released from restrictions	<u>449,927</u>	<u>(449,927)</u>	<u>-</u>
Total public support	3,343,120	19,112	3,362,232
Revenue:			
Fees and tuition	61,914,620	-	61,914,620
Grants	31,630,150	-	31,630,150
Gain on extinguishment of debt	9,250,000	-	9,250,000
Dividend and interest income	834,614	12,543	847,157
Rental income	31,762	-	31,762
Other	<u>394,652</u>	<u>-</u>	<u>394,652</u>
Total revenue	<u>104,055,798</u>	<u>12,543</u>	<u>104,068,341</u>
Total public support and revenue	107,398,918	31,655	107,430,573
Operating expenses:			
Program services:			
Public health education	26,267	-	26,267
Professional education	160,997	-	160,997
Direct services	<u>85,247,641</u>	<u>-</u>	<u>85,247,641</u>
Total program services	85,434,905	-	85,434,905
Supporting services:			
Management and general	9,493,211	-	9,493,211
Fundraising	<u>2,154,599</u>	<u>-</u>	<u>2,154,599</u>
Total supporting services	<u>11,647,810</u>	<u>-</u>	<u>11,647,810</u>
Total functional expenses	97,082,715	-	97,082,715
Support of National programs	<u>130,276</u>	<u>-</u>	<u>130,276</u>
Total operating expenses	<u>97,212,991</u>	<u>-</u>	<u>97,212,991</u>
Increase in net assets from operations	10,185,927	31,655	10,217,582

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

Year Ended August 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Other non-operating expenses, gains and losses:			
Change in fair value of interest rate swap	\$ 1,243,067	\$ -	\$ 1,243,067
Net unrealized and realized losses on investments, net	(3,063,497)	(182,735)	(3,246,232)
Increase in fair value of beneficial interest in trust held by others	-	11,278	11,278
Loss on sales, disposals and impairment of fixed assets	<u>(1,941,095)</u>	<u>-</u>	<u>(1,941,095)</u>
	<u>(3,761,525)</u>	<u>(171,457)</u>	<u>(3,932,982)</u>
Increase (decrease) in net assets	6,424,402	(139,802)	6,284,600
Net assets at beginning of year	<u>31,026,464</u>	<u>6,118,517</u>	<u>37,144,981</u>
Net assets at end of year	<u>\$ 37,450,866</u>	<u>\$ 5,978,715</u>	<u>\$ 43,429,581</u>

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2023

	Program Services				Supporting Services			Total Program and Supporting Services Expenses	
	Public Health Education	Professional Education	Direct Services	Total	Management and General	Fund-Raising	Total	2023	2022
Salaries and related expenses	\$ 3,942	\$ —	\$71,521,335	\$71,525,277	\$ 6,918,354	\$1,313,590	\$ 8,231,944	\$ 79,757,221	\$73,144,865
Professional fees	9,855	114,704	9,673,062	9,797,621	2,558,882	291,742	2,850,624	12,648,245	10,765,751
Supplies	456	2,130	2,055,872	2,058,458	138,373	32,625	170,998	2,229,456	1,867,791
Telephone	2	—	547,120	547,122	212,927	3,625	216,552	763,674	732,503
Postage and shipping	156	—	39,423	39,579	17,880	6,964	24,844	64,423	61,483
Occupancy	—	—	3,058,697	3,058,697	392,693	46,875	439,568	3,498,265	2,885,219
Outside printing, artwork and media	405	1,124	7,668	9,197	3,688	38,081	41,769	50,966	47,700
Travel	3	—	1,742,011	1,742,014	12,662	4,024	16,686	1,758,700	1,555,082
Conventions and meetings	3,992	28,977	225,364	258,333	26,566	12,034	38,600	296,933	165,074
Specific assistance to individuals	—	—	1,553,980	1,553,980	315	—	315	1,554,295	1,786,853
Dues and subscriptions	—	—	33,088	33,088	13,850	2,581	16,431	49,519	29,335
Minor equipment purchases and equipment rentals	—	645	153,728	154,373	84,726	41,751	126,477	280,850	251,672
Ads, fees and miscellaneous	23	—	611,695	611,718	33,525	561,991	595,516	1,207,234	1,005,398
Interest	—	—	652,777	652,777	138,061	—	138,061	790,838	780,153
Depreciation and amortization	—	17	1,710,285	1,710,302	153,515	11,117	164,632	1,874,934	2,003,836
Grant expense	—	—	975,000	975,000	—	—	—	975,000	—
	<u>\$18,834</u>	<u>\$147,597</u>	<u>\$94,561,105</u>	<u>\$94,727,536</u>	<u>\$10,706,017</u>	<u>\$2,367,000</u>	<u>\$13,073,017</u>	<u>\$ 107,800,553</u>	<u>\$97,082,715</u>
	0.02%	0.14%	87.72%	87.88%	9.93%	2.19%	12.12%	100.00%	100.00%

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2022

	<u>Program Services</u>				<u>Supporting Services</u>			<u>Total Program and Supporting Services Expenses</u>
	<u>Public Health Education</u>	<u>Professional Education</u>	<u>Direct Services</u>	<u>Total</u>	<u>Management and General</u>	<u>Fund-Raising</u>	<u>Total</u>	<u>2022</u>
Salaries and related expenses	\$ 5,780	\$ —	\$65,741,230	\$65,747,010	\$6,336,634	\$1,061,221	\$ 7,397,855	\$73,144,865
Professional fees	2,613	127,466	8,234,642	8,364,721	2,066,017	335,013	2,401,030	10,765,751
Supplies	928	5,500	1,777,921	1,784,349	50,158	33,284	83,442	1,867,791
Telephone	8	—	529,613	529,621	200,186	2,696	202,882	732,503
Postage and shipping	—	229	35,031	35,260	15,776	10,447	26,223	61,483
Occupancy	—	—	2,472,697	2,472,697	354,406	58,116	412,522	2,885,219
Outside printing, artwork and media	1,303	—	8,519	9,822	309	37,569	37,878	47,700
Travel	—	—	1,540,938	1,540,938	13,280	864	14,144	1,555,082
Conventions and meetings	6	27,802	98,989	126,797	15,852	22,425	38,277	165,074
Specific assistance to individuals	—	—	1,786,297	1,786,297	556	—	556	1,786,853
Dues and subscriptions	—	—	17,296	17,296	11,084	955	12,039	29,335
Minor equipment purchases and equipment rentals	7,926	—	136,235	144,161	74,508	33,003	107,511	251,672
Ads, fees and miscellaneous	7,703	—	413,578	421,281	31,740	552,377	584,117	1,005,398
Interest	—	—	642,590	642,590	137,563	—	137,563	780,153
Depreciation and amortization	—	—	1,812,065	1,812,065	185,142	6,629	191,771	2,003,836
	<u>\$26,267</u>	<u>\$160,997</u>	<u>\$85,247,641</u>	<u>\$85,434,905</u>	<u>\$9,493,211</u>	<u>\$2,154,599</u>	<u>\$11,647,810</u>	<u>\$97,082,715</u>
	0.03%	0.16%	87.81%	88.00%	9.78%	2.22%	12.00%	100.00%

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Increase in net assets	\$ 3,403,568	\$ 6,284,600
Adjustments to reconcile increase in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	1,874,934	2,003,836
Noncash lease expense	26,724	-
Bond issuance costs amortization	6,110	6,110
Decrease (increase) in fair value of beneficial interest in trust held by others	4,353	(11,278)
Net (gain) loss on sales, disposals and impairment of fixed assets	(11,077)	1,941,095
Change in fair value of interest rate swap	(463,504)	(1,243,067)
Gain on extinguishment of debt	(750,000)	(9,250,000)
Net unrealized and realized losses on investments, net	22,824	3,246,232
Donor restricted contributions	(353,464)	(368,967)
Changes in operating assets and liabilities:		
Program and other accounts receivable	(4,643,861)	(1,155,303)
Accounts receivable from related entity	(1,424,603)	(394,316)
Contributions receivable	43,334	52,612
Prepaid expenses and other current assets	(496,775)	(274,207)
Other assets	17,038	41,001
Accounts payable and accrued expenses	1,499,196	(392,927)
Deferred revenue	(1,310,671)	2,736,062
Other liabilities	<u>82,658</u>	<u>(552,490)</u>
Net cash (used) provided by operating activities	(2,473,216)	2,668,993
Cash flows from investing activities:		
Purchases of fixed assets	(2,902,728)	(1,453,563)
Proceeds from sale of fixed assets	15,976	366,008
Change in investments, net	(439,778)	(150,624)
Change in assets limited as to use	(134,843)	520,494
Investment in related entity	<u>-</u>	<u>(1,742)</u>
Net cash used by investing activities	(3,461,373)	(719,427)
Cash flows from financing activities:		
Repayment of long-term debt	(1,018,590)	(1,872,427)
Donor restricted contributions	<u>353,464</u>	<u>368,967</u>
Net cash used by financing activities	<u>(665,126)</u>	<u>(1,503,460)</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
(Decrease) increase in cash, cash equivalents and restricted cash	\$(6,599,715)	\$ 446,106
Cash, cash equivalents and restricted cash, beginning of year	<u>14,917,580</u>	<u>14,471,474</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 8,317,865</u>	<u>\$14,917,580</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 791,000</u>	<u>\$ 742,000</u>
Operating cash flows for operating leases	<u>\$ 1,265,742</u>	<u>\$ -</u>
Supplemental disclosure of noncash activities:		
Fixed asset purchases included in accounts payable at end of year	<u>\$ 511,017</u>	<u>\$ 173,818</u>
Intangible asset purchases included in accounts payable at end of year	<u>\$ 736,658</u>	<u>\$ -</u>
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	<u>\$ 3,853,603</u>	<u>\$ -</u>

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

1. Corporate Organization and Purpose

Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH) consists of various separate nonprofit entities: Easter Seals New Hampshire, Inc. (parent and service corporation); Manchester Alcoholism Rehabilitation Center (Farnum Center); Easter Seals Maine, Inc. (up to August 31, 2022); and Easter Seals Vermont, Inc. (Easter Seals VT). Additionally, Champlin Place, Inc., was formed on June 30, 2022 and was 100% owned by Easter Seals New Hampshire, Inc. In April 2023, Easter Seals NH transferred a 21% interest in Champlin Place, Inc. to Housing Affordability Partnership, LLC. Champlin Place, Inc. is the sole General Partner of Champlin Place Limited Partnership (the Partnership). Champlin Place, Inc. has a 0.01% ownership interest in the Partnership, but oversees certain management and operational aspects of the Partnership subject to the terms set forth in the limited partnership agreement. See note 15. Easter Seals New Hampshire, Inc. is the sole member of each subsidiary, aside from Champlin Place, Inc. for which they have a 79% interest. Easter Seals NH is affiliated with Easter Seals, Inc. (the national headquarters for the organization).

Effective August 31, 2022, Easter Seals Maine, Inc. was dissolved, and all assets were transferred to Easter Seals New Hampshire, Inc.

Easter Seals NH's purpose is to provide plans of care comprised of thoughtfully integrated services that help those with varied abilities live, learn, work, and play throughout their lifetimes. Easter Seals NH operates programs throughout New Hampshire and Vermont.

2. Summary of Significant Accounting Policies

Principles of Consolidation and Noncontrolling Interests

The consolidated financial statements include the accounts of Easter Seals New Hampshire, Inc. and the subsidiaries of which it is the sole member and the less-than-wholly-owned subsidiary of which they maintain a controlling interest as described in notes 1 and 15. As Champlin Place, Inc. has only a 0.01% owned interest in the project described in note 15, which has not yet commenced planned principal operations, there are no revenue and expenses attributed to the entity to date. Accordingly, there is no investment in the less-than-wholly-owned subsidiary to present separately in the accompanying consolidated statements of financial position, and no increase (decrease) in net assets attributed to the controlling and noncontrolling interests to present separately in the accompanying consolidated statements of activities and changes in net assets. Significant intercompany accounts and transactions have been eliminated in consolidation.

Cash, Cash Equivalents and Restricted Cash

Easter Seals NH considers all highly liquid securities purchased with an original maturity of 90 days or less to be cash equivalents. Cash equivalents consist of cash, and money market funds, excluding assets limited as to use.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Easter Seals NH maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed amounts guaranteed by the Federal Deposit Insurance Corporation. Financial instruments which subject Easter Seals NH to credit risk consist primarily of cash equivalents and investments. Easter Seals NH's investment portfolio consists of diversified investments, which are subject to market risk. Investments that exceeded 10% of investments include the Lord Abbett Short Duration Income A Fund with a balance of \$10,229,900 and \$10,055,500 as of August 31, 2023 and 2022, respectively.

Restricted cash represents reserve accounts held by New Hampshire Housing Finance Authority (NHHFA) for insurance, taxes, replacement costs and operations as well as security deposit accounts held for tenants.

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows at August 31:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$8,218,081	\$14,837,761
Restricted cash	<u>99,784</u>	<u>79,819</u>
	<u>\$8,317,865</u>	<u>\$14,917,580</u>

Assets Limited as to Use and Investments

Assets limited as to use consists of cash and cash equivalents, short-term certificates of deposit with original-maturities greater than 90 days, but less than one year, and investments. Investments are stated at fair value. Realized gains and losses on investments are computed on a specific identification basis. The changes in net unrealized and realized gains and losses on investments are recorded in other non-operating expenses, gains and losses in the accompanying consolidated statements of activities and changes in net assets. Donated securities are stated at fair value determined at the date of donation.

Beneficial Interest in Trust

Easter Seals NH is the beneficiary of a trust held by others recorded in other assets in the accompanying consolidated statements of financial position. Easter Seals NH has recorded as an asset the fair value of its interest in the trust and such amount is included in net assets with donor restrictions, based on the underlying donor stipulations. The change in the interest due to fair value change is recorded within other non-operating expenses, gains and losses as activity with donor restrictions.

Fixed Assets

Fixed assets are recorded at cost less accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to expense as incurred, and expenditures for major renovations are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the underlying assets. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the asset.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Fixed assets obtained by Easter Seals NH as a result of acquisitions on or after September 1, 2011 are recorded at estimated fair value as of the date of the acquisition in accordance with generally accepted accounting principles guidance for acquisitions by a not-for-profit entity.

Donated property and equipment not subject to donor stipulated conditions is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support or, if significant uncertainties exist, as deferred revenue pending resolution of the uncertainties. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions.

Internal-Use Software Costs

The Company expenses costs incurred in the preliminary project stage of developing or acquiring internal use software, such as research and feasibility studies as well as costs incurred post implementation operational stage, such as maintenance and training. Capitalization of internal-use software costs occurs only after the preliminary-project stage is complete, management authorizes the project and it is probable that the project will be completed and the software will be used for the function intended. There were \$736,658 of internal-use software costs capitalized during the year ended August 31, 2023. These amounts are recorded in intangible assets in the accompanying 2023 consolidated statement of financial position. There were no internal-use software costs capitalized for the year ended August 31, 2022. The capitalized costs will be amortized on a straight-line basis over the estimated useful life of the software, generally up to 5 years, once placed in service. There was no amortization expense recognized in 2023.

Long-Lived Assets

When there is an indication of impairment, management considers whether long-lived assets are impaired by comparing gross future undiscounted cash flows expected to be generated from utilizing the assets to their carrying amounts. If cash flows are not sufficient to recover the carrying amount of the assets, impairment has occurred, and the assets are written down to their fair value. Significant estimates and assumptions are required to be made by management in order to evaluate possible impairment.

No long-lived assets were deemed impaired in 2023. Certain long-lived assets were deemed impaired in 2022. See note 8.

Bond Issuance Costs

Bond issuance costs are being amortized to interest expense using the straight-line method over the repayment period of the related bonds, or the expected time until the next refinancing, whichever is shorter. Interest expense recognized on the amortization of bond issuance costs during 2023 and 2022 was \$6,110. The bond issuance costs are presented as a component of long-term debt on the accompanying consolidated statements of financial position.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition and Program and Other Accounts Receivable

Easter Seals NH accounts for revenues (mainly relating to fees and tuition in the accompanying consolidated statements of activities and changes in net assets) under Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, and determines the amount of revenue to be recognized through application of the following steps:

- Identification of the contract with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as Easter Seals NH satisfies the performance obligations.

Easter Seals NH determines the transaction price based on standard charges for goods and services provided, reduced by any applicable discounts, contractual adjustments provided to third-party payors, or explicit and implicit price concessions provided to groups or individuals. A performance obligation is a promise in a contract with a customer to transfer products or services that are distinct. Determining whether products and services are distinct performance obligations that should be accounted for separately or combined as one unit of accounting may require significant judgement.

A significant portion of Easter Seals NH's revenues are derived through arrangements with third-party payors that provide for payment at amounts different from its established rates. Payment arrangements include discounted charges and prospectively determined payments. As such, Easter Seals NH is dependent on these payors in order to carry out its operating activities. There is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in fees and tuition in the year that such amounts become known.

Revenues are recognized when performance obligations are satisfied, or attributable to the period in which specific terms of the funding agreement are satisfied, and to the extent that expenses have been incurred for the purposes specified by the funding source. Revenue balances in excess of the foregoing amounts are deferred until any restrictions are met or allowable expenditures are incurred.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

The collection of outstanding receivables from third-party payors, patients and other clients is Easter Seals NH's primary source of cash and is critical to its operating performance. The primary collection risks relate to uninsured accounts, including accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but individual responsibility amounts (deductibles and copayments) remain outstanding. Implicit price concessions relate primarily to amounts due directly from patients and other clients. Estimated implicit price concessions are recorded for all uninsured accounts, regardless of the aging of those accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed. The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections, business and economic conditions, trends in federal, state and private employer health care coverage and other collection indicators. Management relies on the results of detailed reviews of historical write-offs and collections at facilities and programs that represent a majority of revenues and accounts receivable (the "hindsight analysis") as a primary source of information in estimating the collectability of accounts receivable. Management performs the hindsight analysis regularly, utilizing rolling accounts receivable collection and write-off data. Management believes its regular updates to the estimated implicit price concession amounts provide reasonable estimates of revenues and valuations of accounts receivable. These routine, regular changes in estimates have not resulted in material adjustments to the valuations of accounts receivable or period-to-period comparisons of operations. At August 31, 2023, 2022, and 2021, estimated implicit price concessions of \$871,700, \$855,900, and \$1,079,600, respectively, had been recorded as reductions to program and other accounts receivable balances to enable Easter Seals NH to record revenues and accounts receivable at the estimated amounts expected to be collected.

Unconditional contributions are recognized when the promise to give is made and are recorded at the net present value of estimated future cash flows.

Advertising

Easter Seals NH's policy is to expense advertising costs as incurred.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services based mainly on time records and estimates made by Easter Seals NH's management.

Charity Care (Unaudited)

Easter Seals NH has a formal charity care policy under which program fees are subsidized as determined by the Board of Directors. Free and subsidized services are rendered in accordance with decisions made by the Board of Directors and, at established charges, amounted to approximately \$9,020,000 and \$8,099,000 for the years ended August 31, 2023, and 2022, respectively.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), which requires that lease arrangements longer than twelve months result in an entity recognizing an asset and liability. The pronouncement is effective for Easter Seals NH beginning September 1, 2022. See note 7.

At inception of a contract, Easter Seals NH determines whether that contract is or contains a lease. Easter Seals NH determines whether a contract contains a lease by assessing whether there is an identified asset and whether the contract conveys the right to control the use of the identified asset for a period of time in exchange for consideration. The organization has control of the asset if it has the right to direct the use of the asset and obtains substantially all of the economic benefits from the use of the asset throughout the period of use. This determination is reassessed if the terms of the contract are changed.

Easter Seals NH leases residential and office space (real estate) under non-cancellable operating leases. The carrying value of the organization's right-of-use lease assets is substantially concentrated in its real estate leases. As a practical expedient, Easter Seals NH does not recognize a lease asset or lease liability for leases with a lease term of 12 months or less. In the determination of the lease term, the organization considers the existence of extension or termination options and the probability of those options being exercised.

Leases are classified as operating or finance leases based on the terms of the lease agreement and certain characteristics of the identified asset. Right-of-use assets represent Easter Seals NH's right to use an underlying asset during the lease term and lease liabilities represent the organization's obligation to make lease payments arising from the lease. Right-of-use assets and liabilities are recognized at the commencement date, based on the net present value of fixed lease payments over the lease term. Lease terms include options to extend or terminate the lease when it is reasonably certain that the options will be exercised.

At the lease commencement date, the discount rate implicit in the lease is used to discount the lease liability if readily determinable. If not readily determinable or leases do not contain an implicit rate, Easter Seals NH has made a policy election to use a risk-free rate as the discount rate for all classes of underlying assets.

In addition to rent, the leases may require Easter Seals NH to pay additional amounts for taxes, insurance, maintenance and other expenses, which are generally referred to as nonlease components. For all asset classes, the organization has elected the lessee practical expedient to combine lease and nonlease components and account for the combined unit as a single lease component. Variable nonlease components are treated as variable lease payments and recognized in the period in which the obligation for these payments was incurred.

Income Taxes

Easter Seals New Hampshire, Inc., Easter Seals Maine, Inc. (prior to dissolution on August 31, 2022), Easter Seals VT and Farnum Center are exempt from both federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, with the exception of certain federal taxes applicable to not-for-profit entities.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022.

2. Summary of Significant Accounting Policies (Continued)

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position historically taken on various tax exposure items including unrelated business income or tax status. In accordance with U.S. GAAP, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based upon the technical merits of the position.

Champlin Place, Inc. is a for-profit organization subject to Federal and state taxes. Deferred income taxes of Champlin Place, Inc. are computed using the asset and liability method under which deferred income tax assets and liabilities are computed based on temporary differences between the financial statement and tax bases of assets and/or liabilities which will result in taxable or deductible amounts on future tax returns. Champlin Place, Inc. records a valuation allowance against any deferred tax assets when it determines it is unlikely that the tax asset will be realized. No significant deferred income taxes have been realized for Champlin Place, Inc. since the entity's inception.

Management has evaluated tax positions taken by Easter Seals New Hampshire, Inc., Easter Seals Maine, Inc., Easter Seals VT and Farnum Center on their respective filed tax returns and concluded that the organizations have maintained their tax-exempt status, do not have any significant unrelated business income, and have taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements. Champlin Place, Inc.'s management has determined that Champlin Place, Inc. has not taken, nor expects to take, any uncertain tax positions in any income tax return.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used in accounting for explicit and implicit price concessions in revenue, workers' compensation liabilities and contingencies.

Derivatives and Hedging Activities

Accounting guidance requires that Easter Seals NH record as an asset or liability the fair value of the interest rate swap agreement described in note 11. Easter Seals NH is exposed to repayment loss equal to the net amounts receivable under the swap agreement (not the notional amount) in the event of nonperformance of the other party to the swap agreement. However, Easter Seals NH does not anticipate nonperformance and does not obtain collateral from the other party.

As of August 31, 2023, and 2022, Easter Seals NH had recognized a liability of \$531,680 and \$995,184, respectively, as a result of the interest rate swap agreements discussed in note 11. As a result of changes in the fair value of these derivative financial instruments, Easter Seals NH recognized an increase in net assets of \$463,504 and \$1,243,067 for the years ended August 31, 2023 and 2022, respectively, in the accompanying consolidated statements of activities and changes in net assets.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Increase in Net Assets from Operations

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of services are reported as revenue and expenses that comprise the increase in net assets from operations. The primary transactions reported as other non-operating expenses, gains and losses include the adjustment to fair value of interest rate swaps, the change in the fair value of beneficial interest in trust held by others, gains and losses on sales, disposals and impairment of fixed assets and net realized and unrealized gains and losses on investments.

Subsequent Events

Events occurring after the statement of financial position date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. Management has evaluated events occurring between the end of Easter Seals NH's fiscal year end and December 22, 2023, the date these consolidated financial statements were available to be issued.

3. Classification of Net Assets

The following provides a description of the net asset classifications represented in the Easter Seals NH consolidated statements of financial position:

In accordance with *Uniform Prudent Management of Institutional Funds Act (UPMIFA)*, net assets are classified and reported based on the existence or absence of donor-imposed restrictions. Net assets with donor restrictions include contributions and endowment investment earnings subject to donor-imposed restrictions, as well as irrevocable trusts and contributions receivable. Some donor-imposed restrictions are temporary in nature with restrictions that are expected to be met either by actions of Easter Seals NH and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources are to be maintained in perpetuity, the income from which is expendable to support all activities of the organization, or as stipulated by the donor.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as support without donor restrictions in the accompanying consolidated financial statements.

In accordance with UPMIFA, Easter Seals NH considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

3. Classification of Net Assets (Continued)

Endowment Net Asset Composition by Type of Fund

The major categories of endowment funds included in net assets, with donor restrictions at August 31, 2023 and 2022 are as follows:

	<u>Original Donor Restricted Gift Maintained in Perpetuity</u>	<u>Accumulated Investment Gains</u>	<u>Total</u>
<u>2023</u>			
Other initiatives	\$1,483,715	\$75,412	\$1,559,127
Operations	<u>3,835,088</u>	<u>—</u>	<u>3,835,088</u>
Total endowment net assets	<u>\$5,318,803</u>	<u>\$75,412</u>	<u>\$5,394,215</u>
<u>2022</u>			
Other initiatives	\$1,462,085	\$26,757	\$1,488,842
Operations	<u>3,838,633</u>	<u>—</u>	<u>3,838,633</u>
Total endowment net assets	<u>\$5,300,718</u>	<u>\$26,757</u>	<u>\$5,327,475</u>

Changes in Endowment Net Assets

During the years ended August 31, 2023 and 2022, Easter Seals NH had the following endowment-related activities:

Net endowment assets, August 31, 2021	\$5,377,829
Investment return:	
Investment income, net of fees	66,470
Net appreciation (realized and unrealized), net	12,536
Contributions	96,811
Appropriated for expenditure	<u>(226,171)</u>
Net endowment assets, August 31, 2022	5,327,475
Investment return:	
Investment income, net of fees	13,098
Net appreciation (realized and unrealized), net	14,857
Contributions	59,485
Appropriated for expenditure	<u>(20,700)</u>
Net endowment assets, August 31, 2023	<u>\$5,394,215</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

3. Classification of Net Assets (Continued)

Net assets were released from donor restrictions as follows for the years ended August 31:

	<u>2023</u>	<u>2022</u>
Satisfaction of donor restrictions	\$346,588	\$223,756
Release of appropriated endowment funds	<u>20,700</u>	<u>226,171</u>
	<u>\$367,288</u>	<u>\$449,927</u>

In addition to endowment net assets, Easter Seals NH also maintains non-endowed funds. The major categories of non-endowment funds, at August 31, 2023 and 2022 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Non- Endowment Net Assets</u>
<u>2023</u>			
Other initiatives	\$ -	\$492,554	\$ 492,554
Operations	<u>40,782,371</u>	<u>164,009</u>	<u>40,946,380</u>
Total non-endowment net assets	<u>\$40,782,371</u>	<u>\$656,563</u>	<u>\$41,438,934</u>
<u>2022</u>			
Other initiatives	\$ 134,429	\$466,798	\$ 601,227
Operations	<u>37,316,437</u>	<u>184,442</u>	<u>37,500,879</u>
Total non-endowment net assets	<u>\$37,450,866</u>	<u>\$651,240</u>	<u>\$38,102,106</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Easter Seals NH to retain as a fund of permanent duration. Deficiencies of this nature are reported in net assets with donor restrictions. There were no deficiencies between the fair value of the investments of the endowment funds and the level required by donor stipulation at August 31, 2023 or 2022.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

3. Classification of Net Assets (Continued)

Net assets with donor restrictions

Net assets with donor restrictions are available for the following purposes at August 31:

	<u>2023</u>	<u>2022</u>
Purpose restriction:		
Other initiatives	\$ 492,554	\$ 466,798
Operations	<u>33,500</u>	<u>47,200</u>
	526,054	513,998
Perpetual in nature:		
Original donor restricted gift amount and amounts required to be maintained by donor	5,323,069	5,307,363
Investments, gains and income from which is donor restricted	75,411	26,757
Beneficial interest in perpetual trust	<u>126,244</u>	<u>130,597</u>
	<u>5,524,724</u>	<u>5,464,717</u>
Total net assets with donor restrictions.	<u>\$6,050,778</u>	<u>\$5,978,715</u>

Net assets with donor restrictions are managed in accordance with donor intent and are invested in various portfolios.

Investment and Spending Policies

Easter Seals NH 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 Easter Seals NH must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of an appropriate market index while assuming a moderate level of investment risk. Easter Seals NH expects its endowment funds to provide an average rate of return over a five-year period equal to the rate of 2% over the inflation rate. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, Easter Seals NH relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Easter Seals NH targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Easter Seals NH may appropriate for distribution some or all of the earnings and appreciation on its endowment for funding of operations. In establishing this policy, Easter Seals NH considered the objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to, so long as it would not detract from Easter Seals NH's critical goals and initiatives, provide additional real growth through new gifts and investment return.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

4. Liquidity and Availability

Financial assets available for general expenditure, such as for operating expenses, and which are without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date (August 31, 2023), comprise the following:

Cash and cash equivalents	\$ 8,218,081
Short-term investments, at fair value	10,230,068
Program and other accounts receivable	14,392,502
Accounts receivable from related entity	1,818,919
Contributions receivable, net	<u>128,919</u>
	34,788,489
Investments, at fair value	<u>13,661,880</u>
	48,450,369
Less: net assets with donor restrictions	<u>(5,924,534)</u>
	<u>\$42,525,835</u>

To manage liquidity, Easter Seals NH maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to Easter Seals NH. The management of Easter Seals NH has implemented a practice to establish cash reserves on hand that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of August 31, 2023, and 2022, approximately \$9,300,000 and \$10,200,000, respectively, of cash and cash equivalents, and approximately \$10,230,000 and \$10,056,000, respectively, of investments were on-hand under this practice. Because such funds are available and may be used in current operations, they have been classified as current in the accompanying consolidated statements of financial position.

5. Contributions Receivable

Contributions receivable from donors as of August 31, 2023 and 2022 are \$155,248 and \$197,962, respectively, net of an allowance for doubtful accounts of \$22,329 and \$17,329, respectively. The long-term portion of contributions receivable is recorded in other assets in the accompanying consolidated statements of financial position. Gross contributions are due as follows at August 31, 2023:

2024	\$151,248
2025	2,000
2026	1,000
2027	<u>1,000</u>
	<u>\$155,248</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

6. Revenues

Revenue by Easter Seals NH's core programs included in fees and tuition and grants consisted of the following:

	Fees and <u>Tuition</u>	Grants	Total
<u>2023</u>			
Residential and educational services	\$38,501,744	\$ 678,607	\$ 39,180,351
Community based services	6,884,950	19,231,261	26,116,211
Farnum Center	5,777,281	4,536,689	10,313,970
Family support services	7,460,477	523,748	7,984,225
Senior services	3,362,892	2,529,714	5,892,606
Transportation services	3,733,018	23,193	3,756,211
Outpatient and early support services	1,010,235	2,321,479	3,331,714
Children development services	1,475,783	683,060	2,158,843
Workforce development	2,913,738	27,118	2,940,856
Other programs	<u>1,394,243</u>	<u>3,084,245</u>	<u>4,478,488</u>
	<u>\$72,514,361</u>	<u>\$33,639,114</u>	<u>\$ 106,153,475</u>
<u>2022</u>			
Residential and educational services	\$33,336,907	\$ 478,631	\$ 33,815,538
Community based services	2,529,116	21,853,895	24,383,011
Farnum Center	5,912,587	3,175,028	9,087,615
Family support services	6,796,612	515,896	7,312,508
Senior services	4,332,135	1,567,091	5,899,226
Transportation services	3,649,934	21,928	3,671,862
Outpatient and early support services	1,030,926	1,787,197	2,818,123
Children development services	1,661,031	494,511	2,155,542
Workforce development	1,878,376	1,125	1,879,501
Other programs	<u>786,996</u>	<u>1,734,848</u>	<u>2,521,844</u>
	<u>\$61,914,620</u>	<u>\$31,630,150</u>	<u>\$ 93,544,770</u>

Revenues related to providing health services are recorded at the contracted rate for those that involved a third-party payor and less any implicit price concession. Substantially all such adjustments in 2023 and 2022 are related to Farnum Center. A breakdown of Farnum Center's revenue reflected in fees and tuition in 2023 and 2022 from major payor sources is as follows:

	<u>2023</u>	<u>2022</u>
Private payors (includes coinsurance and deductibles)	\$1,325,768	\$ 1,633,018
Medicaid	4,132,636	4,279,742
Medicare	5,359	14,237
Self-pay	<u>313,518</u>	<u>24,668</u>
	<u>\$5,777,281</u>	<u>\$ 5,951,665</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

6. Revenues (Continued)

In response to the coronavirus (COVID-19) pandemic, Easter Seals NH qualified for certain federal grant funding through the *Coronavirus Aid, Relief and Economic Security Act* (CARES Act) and CARES Act Provider Relief Funding. In 2023 and 2022, Easter Seals NH received approximately \$4,850,000 and \$1,846,000, respectively, of which approximately \$1,600,000 and \$900,000, respectively, was paid to employees either in the form of bonuses for retention and recruitment or employees who qualified for the additional payments under certain programs. Easter Seals NH also entered a Payroll Protection Program loan in 2021 which was forgiven on February 2, 2022 (see note 11).

7. Operating Leases

ASC 842 became effective for Easter Seals NH on September 1, 2022 and was adopted using the modified retrospective method for all leases that had commenced as of the effective date, along with certain available practical expedients. The organization elected to adopt the package of practical expedients permitted under the transition guidance within the new standard. The practical expedient package applied to leases that commenced prior to the effective date of the new standard and permits a reporting entity not to: i) reassess whether any expired or existing contracts are or contain leases, ii) reassess the historical lease classification for any expired or existing leases, and iii) reassess initial direct costs for any existing leases. The reporting results for fiscal year 2023 reflect the application of ASC 842 guidance while the historical results for fiscal year 2022 were prepared under the guidance of ASC 840. The adoption of the new standard did not have a significant impact on Easter Seals NH's consolidated statements of activities and changes in net assets and cash flows. The adoption of the new standard resulted in the recording of right-of-use assets and corresponding lease liabilities pertaining to the organization's operating leases on the 2023 consolidated statement of financial position. As of the date of adoption, right-of-use assets and operating lease liabilities totaling approximately \$2,807,000 were established in the consolidated statement of financial position.

Right-of use assets and lease liabilities are reported in the statement of financial position as follows at August 31, 2023:

Assets:	
Operating lease right-of-use assets	<u>\$2,651,831</u>
Liabilities:	
Current portion of operating lease liabilities	\$ 905,606
Operating lease liabilities, net of current portion	<u>1,772,949</u>
Total lease liabilities	<u>\$2,678,555</u>

The components of lease cost and rent expense for the year ended August 31, 2023 are as follows:

Operating lease costs	\$1,292,446
Variable lease costs	<u>96,808</u>
Total lease costs	<u>\$1,389,254</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

7. Operating Leases (Continued)

Lease term and discount rate are as follows at August 31, 2023:

Weighted-average remaining lease term in years	3.87
Weighted-average discount rate	3.38%

As of August 31, 2023, maturities of operating lease liabilities for each of the following five years and a total thereafter were as follows:

2024	\$ 978,007
2025	635,797
2026	513,045
2027	458,164
2028	154,381
Thereafter	<u>115,380</u>
Total future minimum lease payments	2,854,774
Less amounts representing interest	<u>176,219</u>
Total lease liabilities	<u>\$2,678,555</u>

Total minimum future lease payments (operating leases) of approximately \$67,000 for leases that have not commenced as of August 31, 2023 are not included in the consolidated financial statements, as the organization does not yet control the underlying assets. The leases commence in 2024.

As of August 31, 2022, future minimum operating lease payments prepared under the previous guidance of ASC 840 were as follows:

2023	\$1,077,760
2024	579,592
2025	381,288
2026	276,403
2027	231,914
Thereafter	<u>28,269</u>
Total	<u>\$2,575,226</u>

Rent expense under these leases amounted to approximately \$1,200,000 for the year ended August 31, 2022.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

8. Fixed Assets

Fixed assets consist of the following at August 31:

	<u>2023</u>	<u>2022</u>
Buildings	\$ 32,967,092	\$ 32,931,032
Land and land improvements	3,996,635	3,930,144
Leasehold improvements	85,238	77,686
Office equipment and furniture	7,171,383	9,901,651
Vehicles	2,920,866	2,461,097
Construction in progress	<u>1,408,954</u>	<u>439,135</u>
	48,550,168	49,740,745
Less accumulated depreciation and amortization	<u>(19,973,831)</u>	<u>(22,524,502)</u>
	<u>\$ 28,576,337</u>	<u>\$ 27,216,243</u>

Depreciation and amortization expense related to fixed assets totaled \$1,874,934 and \$2,003,836 in 2023 and 2022, respectively.

On June 29, 2022, Easter Seals New Hampshire, Inc. was awarded a grant agreement totaling \$22,974,523 with the State of New Hampshire, Governor's Office of Emergency Relief and Recovery. This grant will support the construction of a mixed housing, supportive services, and retreat campus for veterans and their families located in Franklin, New Hampshire. Easter Seals New Hampshire, Inc. is obligated to complete the project prior to December 31, 2026. During the year ended August 31, 2023, \$1,075,521 of this grant was utilized. No amounts of this grant were utilized during the year ended August 31, 2022. Due to this agreement and the extensive nature of the renovation, Easter Seals New Hampshire, Inc. disposed of certain fixed assets associated with the residential treatment center that was closed in November 2021 resulting in recognition of impairment of fixed assets of approximately \$1,882,000 in the accompanying 2022 consolidated statement of activities and changes in net assets.

9. Investments and Assets Limited as to Use

Investments and assets limited as to use, at fair value, are as follows at August 31:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 780,619	\$ 252,648
Marketable equity securities	1,715,335	1,744,099
Mutual funds	22,325,650	22,406,691
Corporate and foreign bonds	346,373	287,951
Government and agency securities	<u>696,259</u>	<u>621,050</u>
	25,864,236	25,312,439
Less: assets limited as to use	<u>(1,972,288)</u>	<u>(1,837,445)</u>
Total investments, at fair value	<u>\$23,891,948</u>	<u>\$23,474,994</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

9. Investments and Assets Limited as to Use (Continued)

The composition of assets limited as to use totaling \$1,972,288 and \$1,837,445 at August 31, 2023 and 2022, respectively, are investments under a deferred compensation plan (see note 10) at fair value.

10. Retirement Plans

Easter Seals NH maintains a Section 403(b) Plan (a defined contribution retirement plan), which covers substantially all employees. Eligible employees may contribute any whole percentage of their annual salary. Easter Seals NH makes a matching contribution for eligible employees equal to 100% of the participants' elective deferrals limited to 3% of the participants' allowable compensation each pay period. The combined amount of employer and employee contributions is subject by law to annual maximum amounts. The employer match was approximately \$895,000 and \$645,000 for the years ended August 31, 2023 and 2022, respectively.

Easter Seals NH offers, to certain management personnel, the option to participate in an Internal Revenue Code Section 457 Deferred Compensation Plan to which the organization may make a discretionary contribution. The employees' accounts are not available until termination, retirement, death or an unforeseeable emergency. Easter Seals NH contributed approximately \$88,000 and \$101,210 to this plan during the years ended August 31, 2023 and 2022, respectively. The assets and liabilities associated with this plan were \$1,972,288 and \$1,837,445 at August 31, 2023 and 2022, respectively, and are included within assets limited as to use and other liabilities in the accompanying consolidated statements of financial position.

11. Borrowings

Borrowings consist of the following at August 31:

	<u>2023</u>	<u>2022</u>
Revenue Bonds, Series 2016A, tax exempt, issued through the New Hampshire Health and Education Facilities Authority (NHHEFA), with a Daily Simple Secured Overnight Financing Rate (SOFR)-based variable rate equal to the sum of (a) 65.01% times (b) Daily Simple SOFR plus 0.10% plus 2.45% (5.10% at August 31, 2023), due in annual principal payments increasing from \$51,667 to \$88,333, with an initial mandatory tender date payment of \$6,875,413 due in May 2027, secured by a pledge of all gross revenues and negative pledge of cash, investments and real estate. The bonds are amortizing to December 2034 since management, through an available option, has the intent and ability to extend any amounts due at the initial mandatory tender date.	\$ 9,451,664	\$10,061,668

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

11. Borrowings (Continued)

	<u>2023</u>	<u>2022</u>
Revenue Bonds, Series 2016B, tax exempt, issued through NHHEFA, with a fixed rate at 3.47%, annual principal payments continually increasing from \$18,010 to \$33,360 with an initial mandatory tender date payment of \$4,521,598 due in May 2027, secured by a pledge of all gross revenues and negative pledge of cash, investments and real estate. The bonds are amortizing to December 2046 since management, through an available option, has the intent and ability to extend any amounts due at the initial mandatory tender date.	\$ 5,416,617	\$ 5,655,563
Various notes payable to a bank with fixed interest rate of 2.24%, various principal and interest payments ranging from \$419 to \$1,070 payable monthly through dates ranging from September 2021 through September 2025, secured by vehicles with a net book value of \$104,895 at August 31, 2023.	94,393	174,119
Mortgage note payable to a bank with a fixed rate of 3.25%. Principal and interest of \$12,200 payable monthly, due in February 2030, secured by an interest in certain property with a net book value of \$3,406,856 at August 31, 2023.	1,913,553	1,995,428
Note payable to NHHFA, 0% interest, conditional repayment terms, based off surplus cash availability, due October 2031, secured by an interest in certain property with a net book value of \$795,155 at August 31, 2023.	527,964	531,486
Note payable to NHHFA, 0% interest, conditional repayment terms, based off surplus cash availability, due March 2040, secured by an interest in certain property with a net book value of \$518,082 at August 31, 2023.	492,448	492,448
Note payable to the City of Manchester, New Hampshire, 0% interest, annual principal payable of \$4,518 on October 1 each year for 10 years through October 2026 secured by an interest in certain property with a net book value of \$795,155 at August 31, 2023.	<u>63,245</u>	<u>67,762</u>
	17,959,884	18,978,474
Less current portion	(1,021,877)	(1,016,962)
Less net unamortized bond issuance costs	<u>(94,396)</u>	<u>(100,506)</u>
	<u>\$16,843,611</u>	<u>\$17,861,006</u>

Principal payments on long-term debt for each of the following years ending August 31 are as follows:

2024	\$ 1,021,877
2025	1,032,973
2026	1,050,367
2027	1,139,574
2028	1,136,339
Thereafter	<u>12,578,754</u>
	<u>\$17,959,884</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

11. Borrowings (Continued)

Lines of Credit and Other Financing Arrangements

Easter Seals New Hampshire, Inc. has an agreement with a bank for a \$500,000 revolving equipment line, which can be used to fund the purchase of New Hampshire titled vehicles for use by Easter Seals New Hampshire, Inc. on demand. Advances are converted to term notes as utilized. The interest rate charged on outstanding borrowings is a fixed rate equal to the then Business Vehicle Rate at the time of the advance for maturities up to a five-year term. Included in long-term debt are eight notes payable totaling \$94,393 and eight notes payable totaling \$174,119 at August 31, 2023 and 2022, respectively, which originated under this agreement. Availability under this agreement at August 31, 2023 and 2022 is \$405,607 and \$325,881, respectively.

On August 31, 2015, Easter Seals New Hampshire, Inc. entered into a revolving line of credit with a bank. On February 26, 2019, an amendment changed the borrowing availability from \$4 million to \$7 million (a portion of which is secured by available letters of credit of \$24,000). On July 16, 2020, an amendment changed the outstanding advances from due on demand to a firm maturity date of June 30, 2022 and the interest rate charged on outstanding borrowings was revised to be the one-month LIBOR rate plus 2.25%. On June 29, 2022, an amendment changed the interest rate charged on outstanding borrowings to be the one-month Bloomberg Short Term Bank Yield Index (BSBY) rate plus 2.25% (7.62% at August 31, 2023). In 2023, the maturity date was extended to June 30, 2024. Under an event of default, the interest rate will increase from the one-month BSBY rate plus 2.25% to the then applicable interest rate plus 5.00%. The line is secured by a first priority interest in all business assets of Easter Seals New Hampshire, Inc. with guarantees from Easter Seals Vermont, Inc. and Farnum Center. The agreement requires that collective borrowings under the line of credit be reduced to \$1,000,000 for 30 consecutive days during each calendar year. There were no amounts outstanding under this revolving line of credit agreement at August 31, 2023 and 2022.

NHHEFA 2016A and 2016B Revenue Bonds

On December 20, 2016, Easter Seals New Hampshire, Inc. issued \$13,015,000 in Series 2016A Tax Exempt Revenue Bonds. These bonds were used to refinance the Series 2004A Revenue Bonds.

Also, on December 20, 2016, Easter Seals New Hampshire, Inc. issued \$9,175,000 in Series 2016B Tax Exempt Revenue Bonds. The bonds were issued to refinance an existing mortgage and to obtain funds for certain planned capital projects.

Mortgage Notes Payable

On February 18, 2015, Easter Seals New Hampshire, Inc. and Farnum Center entered into a \$2,480,000 mortgage note payable to finance the acquisition of certain property located in Franklin, New Hampshire. The initial interest rate charged is fixed at 3.25%. Monthly principal and interest payments are \$12,200, and all remaining outstanding principal and interest is due on February 18, 2030. The note is secured by the property.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

11. Borrowings (Continued)

Effective July 1, 2021, Easter Seals New Hampshire, Inc. has assumed responsibility of the agreement that was made between The Way Home, Inc. (the Organization) and NHHFA dated October 11, 2001 that obtained federal funding through the HOME Investment Partnership Programs. The funds were used for improvements on 214 Spruce Street in Manchester, New Hampshire. The interest rate charged is fixed at 0.00%. As defined in accordance with the regulatory agreement that expires on October 11, 2031, repayment of the balance is conditional based on if surplus cash available exceeds 25%, and is otherwise deferred until the project is sold or refinanced, or upon expiration or default of the regulatory agreement. The Organization must comply with the terms of the loan to provide housing and related services to low income, nearly homeless families, to defer repayment of principal and interest. The note is secured by the property. A payment of \$3,522 was made in 2023 and no payments were made in 2022.

Effective July 1, 2021, Easter Seals New Hampshire, Inc. has assumed responsibility for the agreement that was made between the Organization and NHHFA dated March 17, 2010. The funds were used for the acquisition, construction and permanent financing on 224 Spruce Street in Manchester, New Hampshire. The interest rate charged is fixed at 0.00%. As defined in accordance with the regulatory agreement that expires on March 17, 2040, repayment of the balance is conditional based on if surplus cash available exceeds 50%, until the project is sold or refinanced, or upon expiration of the regulatory agreement. The note is secured by the property. No payments were made in 2023 and 2022.

Notes Payable

Effective July 1, 2021, Easter Seals New Hampshire, Inc. has assumed responsibility for the agreement dated July 1, 2016 that was made between the Organization and the City of Manchester through the Community Improvement Program. The funds were used for facility upgrades on 214 Spruce Street in Manchester, New Hampshire. The interest rate charged is fixed at 0.00%. Annual principal payments of \$4,518 commencing October 1, 2017 can be forgiven through October 1, 2026 so long as the Organization can demonstrate the agreed-upon objectives have been achieved. On August 23, 2018, an amendment changed that the annual principal payments will be deferred from October 1, 2017 and resume October 1, 2022. The note is secured by the property.

Payroll Protection Program Loan

On April 16, 2021, Easter Seals NH entered into a promissory note for an unsecured loan in the amount of \$10,000,000 through the Paycheck Protection Program (PPP) established by the CARES Act and administered by the U.S. Small Business Administration (SBA). The PPP provided loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loan and accrued interest had original terms that were forgivable after the covered period as long as the borrower used the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities, and maintains its payroll levels. The amount of loan forgiveness would be reduced if the borrower terminated employees or reduced salaries during the period. The PPP loan was made for the purpose of securing funding for salaries and wages of employees that may have otherwise been displaced by the outbreak of COVID-19 and the resulting detrimental impact on Easter Seals NH's business. Easter Seals NH accounted for the PPP loan in accordance with the FASB ASC Topic 470 and included the full \$10,000,000 within debt. In February 2022, Easter Seals NH received approval for full forgiveness from the SBA. Upon receiving forgiveness during the year ended August 31, 2022, Easter Seals NH recognized a gain on extinguishment of long-term debt in the accompanying 2022 consolidated statement of activities and changes in net assets.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

11. Borrowings (Continued)

Interest Rate Swap Agreement

Easter Seals New Hampshire, Inc. has an interest rate swap agreement with a bank in connection with the Series 2004A NHHEFA Revenue Bonds. Effective December 1, 2016, an amendment to this agreement was executed in anticipation of the refinancing of the 2004A revenue bonds to change the interest rate charged from 3.54% to 3.62% and the floating rate from LIBOR times 67% to LIBOR times 65.01%. Effective April 3, 2023, an amendment to this agreement was executed to change to interest rate charge from 3.62 % to 3.57% and the floating rate from LIBOR times 65.01% to Daily SOFR times 65.01%. In connection with these amendments, the organization applied certain optional expedients in relation to contract modifications provided by FASB ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* to simplify the accounting analyses for contract modifications. The swap agreement had an outstanding notional amount of \$9,451,664 and \$10,061,668 at August 31, 2023 and 2022, respectively, which reduces in conjunction with principal reductions until the agreement is terminated in November 2034.

The fair value of the above interest rate swap agreement is a liability that totaled \$531,680 and \$995,184 at August 31, 2023 and 2022, respectively, \$15,663 and \$579,174 of which was current at August 31, 2023 and 2022, respectively. During the years ended August 31, 2023 and 2022, net payments required by the agreement totaled \$76,398 and \$338,761, respectively. These payments have been included in interest expense within the accompanying consolidated statements of activities and changes in net assets. See note 14 with respect to fair value determinations.

Debt Covenants

In connection with the bonds, lines of credit and various other notes payable described above, Easter Seals NH is required to comply with certain financial covenants including, but not limited to, minimum liquidity and debt service coverage ratios. At August 31, 2023, Easter Seals NH was in compliance with restrictive covenants specified under the NHHEFA bonds and other debt obligations.

12. Donated Services

A number of volunteers have donated their time in connection with Easter Seals NH's program services and fundraising campaigns. However, no amounts have been reflected in the accompanying consolidated financial statements for such donated services, as no objective basis is available to measure the value.

13. Related Party Transactions

Easter Seals NH is a member of Easter Seals, Inc. Membership fees to Easter Seals, Inc. were \$166,882 and \$130,276 for the years ended August 31, 2023 and 2022, respectively, and are reflected as support of National programs on the accompanying consolidated statements of activities and changes in net assets.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

14. Fair Value of Financial Instruments

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at their measurement date. In determining fair value, Easter Seals NH uses various methods including market, income and cost approaches, and utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in factors used in the valuation. These factors may be readily observable, market corroborated, or generally unobservable. Easter Seals NH utilizes valuation techniques that maximize the use of observable factors and minimizes the use of unobservable factors.

Certain of Easter Seals NH's financial instruments are reported at fair value, which include beneficial interest held in trust, investments and the interest rate swap, and are classified by levels that rank the quality and reliability of the information used to determine fair value:

Level 1 – Valuations for financial instruments traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical instruments.

Level 2 – Valuations for financial instruments traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar instruments.

Level 3 – Valuations for financial instruments derived from other methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining fair value.

The following describes the valuation methodologies used to measure financial assets and liabilities at fair value. The levels relate to valuation only and do not necessarily indicate a measure of investment risk. There have been no changes in the methodologies used by Easter Seals NH at August 31, 2023 and 2022.

Investments and Assets Limited as to Use

Cash and cash equivalents are deemed to be Level 1. The fair values of marketable equity securities and mutual funds that are based upon quoted prices in active markets for identical assets are reflected as Level 1. Investments in certain government and agency securities and corporate and foreign bonds where securities are transparent and generally are based upon quoted prices in active markets are valued by the investment managers and reflected as Level 2.

Beneficial Interest in Trust Held by Others

The beneficial interest in trust held by others has been assigned fair value levels based on the fair value levels of the underlying investments within the trust. The fair values of marketable equity securities, money market and mutual funds are based upon quoted prices in active markets for identical assets and are reflected as Level 1. Investments in marketable equity securities and mutual funds where securities are transparent and generally are based upon quoted prices in active markets are valued by the investment managers and reflected as Level 2.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

14. Fair Value of Financial Instruments (Continued)

Interest Rate Swap Agreement

The fair value for the interest rate swap liability is included in Level 3 and is estimated by the counterparty using industry standard valuation models. These models project future cash flows and discount the future amounts to present value using market-based observable inputs, including interest rates.

At August 31, 2023 and 2022, Easter Seals NH's assets and liabilities measured at fair value on a recurring basis were classified as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2023</u>				
Assets:				
Assets limited as to use and investments at fair value:				
Cash and cash equivalents	\$ 780,619	\$ —	\$ —	\$ 780,619
Marketable equity securities:				
Large-cap	1,349,552	—	—	1,349,552
International	365,783	—	—	365,783
Mutual funds, open-ended:				
Short-term fixed income	10,656,322	—	—	10,656,322
Intermediate-term bond fund	3,819,947	—	—	3,819,947
High yield bond fund	36,917	—	—	36,917
Foreign bond	18,076	—	—	18,076
Government securities	7,514	—	—	7,514
Emerging markets bond	760,207	—	—	760,207
International equities	1,082,865	—	—	1,082,865
Domestic, large-cap	2,475,781	—	—	2,475,781
Domestic, small-cap	402,404	—	—	402,404
Domestic, multi alt	320,781	—	—	320,781
Real estate fund	100,553	—	—	100,553
Mutual funds, closed-ended:				
Domestic, large-cap	2,049,962	—	—	2,049,962
Domestic, mid-cap	363,413	—	—	363,413
Domestic, small-cap	161,248	—	—	161,248
Commodity	50,245	—	—	50,245
Emerging markets	5,763	—	—	5,763
International equity	13,652	—	—	13,652
Corporate and foreign bonds	—	346,373	—	346,373
Government and agency securities	—	696,259	—	696,259
	<u>\$24,821,604</u>	<u>\$1,042,632</u>	<u>\$ —</u>	<u>\$25,864,236</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

14. Fair Value of Financial Instruments (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in trust held by others:				
Money market funds	\$ 341	\$ -	\$ -	\$ 341
Marketable equity securities:				
Large-cap	97,009	-	-	97,009
Mutual funds:				
Domestic, fixed income	<u>-</u>	<u>28,893</u>	<u>-</u>	<u>28,893</u>
	<u>\$ 97,350</u>	<u>\$ 28,893</u>	<u>\$ -</u>	<u>\$ 126,243</u>
Liabilities:				
Interest rate swap agreement	<u>\$ -</u>	<u>\$ -</u>	<u>\$531,680</u>	<u>\$ 531,680</u>

2022

Assets:

Assets limited as to use and investments at fair value:

Cash and cash equivalents	\$ 252,648	\$ -	\$ -	\$ 252,648
Marketable equity securities:				
Large-cap	1,284,778	-	-	1,284,778
International	459,321	-	-	459,321
Mutual funds, open-ended:				
Short-term fixed income	11,649,947	-	-	11,649,947
Intermediate-term bond fund	3,547,536	-	-	3,547,536
High yield bond fund	74,590	-	-	74,590
Foreign bond	19,577	-	-	19,577
Government securities	160,713	-	-	160,713
Emerging markets bond	376,551	-	-	376,551
International equities	1,290,322	-	-	1,290,322
Domestic, large-cap	1,058,579	-	-	1,058,579
Domestic, small-cap	118,360	-	-	118,360
Domestic, multi alt	300,029	-	-	300,029
Real estate fund	178,165	-	-	178,165
Mutual funds, closed-ended:				
Domestic, large-cap	2,794,158	-	-	2,794,158
Domestic, mid-cap	481,343	-	-	481,343
Domestic, small-cap	356,821	-	-	356,821
Corporate and foreign bonds	-	287,951	-	287,951
Government and agency securities	<u>-</u>	<u>621,050</u>	<u>-</u>	<u>621,050</u>
	<u>\$24,403,438</u>	<u>\$ 909,001</u>	<u>\$ -</u>	<u>\$25,312,439</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

14. Fair Value of Financial Instruments (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in trust held by others:				
Money market funds	\$ 1,568	\$ -	\$ -	\$ 1,568
Marketable equity securities:				
Large-cap	96,378	-	-	96,378
Mutual funds:				
Domestic, fixed income	-	32,651	-	32,651
	<u>\$ 97,946</u>	<u>\$ 32,651</u>	<u>\$ -</u>	<u>\$ 130,597</u>
Liabilities:				
Interest rate swap agreement	\$ -	\$ -	\$995,184	\$ 995,184

The table below sets forth a summary of changes in the fair value of Easter Seals NH's Level 3 liabilities for the years ended August 31, 2023 and 2022:

	<u>Interest Rate Swap</u>
Ending balance, August 31, 2021	\$(2,238,251)
Change in fair value	<u>1,243,067</u>
Ending balance, August 31, 2022	(995,184)
Change in fair value	<u>463,504</u>
Ending balance, August 31, 2023	\$ <u>(531,680)</u>

15. Champlin Place Limited Partnership

Champlin Place Limited Partnership (the Partnership) was formed in June 2022 as a limited partnership under the laws of the State of New Hampshire. The Partnership's purpose is to acquire, own, develop, construct and/or rehabilitate, lease, manage, and operate an apartment complex to be constructed and located at 215 Rochester Hill Road, Rochester, New Hampshire, comprised of 65 residential apartments benefiting low to moderate-income households (the Project). The Project is currently nearing completion and is expected to be operational in January 2024. The Partnership's equity was contributed by its General Partner, Champlin Place, Inc., of which Easter Seals NH is the sole owner, and Housing New England Fund IV, a limited partner and unrelated party. The Partnership agreement provides for the allocation of profits and losses to the partners, proportionate to the equity contributed, as follows:

General Partner, Champlin Place, Inc. (wholly-owned by Easter Seals NH through April 2023 and 79% owned thereafter [see note 1])	0.01%
Limited Partner, Housing New England Fund IV (an unrelated party)	99.99%

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

15. Champlin Place Limited Partnership (Continued)

Capital Contributions

In 2022, Easter Seals NH, as the then sole owner of the General Partner, Champlin Place, Inc., has made its required capital contribution of \$1,742 as of August 31, 2022, which is recorded as investment in related entity in the accompanying 2023 consolidated statement of financial position. Champlin Place, Inc. is obligated to make additional capital contributions in the amount of \$150,478, which amounts are expected to be funded in January 2024.

Deferred Developer Fee

On June 30, 2022, Easter Seals NH entered into a Development Services Agreement for the Project, in which Easter Seals NH will earn up to \$2,272,940 as a development fee for its services in connection with the construction and development of the Project. Under the Development Services Agreement, \$250,000 was earned and recognized as other revenue by Easter Seals NH in the 2022 consolidated statement of activities and changes in net assets. The balance of the development fee will be earned on the date that the construction and development of the Project is substantially complete, and all dwelling units have been completed and are placed in service, with all balances to be paid prior to December 31, 2036.

Ground Lease

On June 30, 2022, Easter Seals NH entered into a ground lease with the Partnership for the land located at 215 Rochester Hill Road, Rochester, New Hampshire, with terms of 98 years from the date of execution. The Partnership will be required to pay Easter Seals NH base rent of \$37,004 per annum, commencing on January 1, 2023, and continuing on each one-year anniversary date of the lease, payable from available cash flow, as defined in the agreement. If available cash flow is insufficient to pay the full amount of the base rent for any year, the unpaid portion will accrue interest at 3.43% per annum and be payable on a cumulative basis in the first year in which there is sufficient available cash flow or capital proceeds.

Community Development Block Grant Loan and Agreements

In 2022, the City of Rochester, New Hampshire was awarded a Community Development Block Grant by the Community Development Finance Authority. In turn, the City of Rochester, New Hampshire has granted a conditional grant of \$975,000 to Easter Seals NH, which in turn will loan the funds to the Partnership to pay for site work improvements and certain construction costs of the Project through a leasehold mortgage that was executed on June 30, 2022 between Easter Seals NH and the Partnership. The loan accrues no interest and is payable to Easter Seals NH in one lump sum 30 years from the date of the note (July 2052). In the event of default of this condition, Easter Seals NH has the right to recover all of the CDBG funds expended on the Project on behalf of the New Hampshire Community Development Loan Fund. The amount of CDBG funds subject to recovery may decrease over the twenty-year period at a rate negotiated between the City of Rochester and Easter Seals NH and approved by the Community Development Finance Authority. Also as defined in the leasehold mortgage, if the Partnership performs its obligations as defined in the agreement, then repayment of the leasehold mortgage will become void, therefore requiring no repayment by the Partnership to Easter Seals NH. Because of that provision, in 2023 Easter Seals NH recognized offsetting assets and liabilities related to the \$975,000 in funding received from the City of Rochester, New Hampshire and subsequent loan to the Partnership when cash flow associated with the grant and leasehold mortgage is expected.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

15. Champlin Place Limited Partnership (Continued)

Sponsor Loan and Terms

On June 30, 2022, in order to provide additional funding to the Partnership for upcoming site work and construction costs, Easter Seals NH entered into a \$563,607 loan agreement with the Partnership. This loan bears interest at the rate of 0% and, at August 31, 2023, \$8,000 had been drawn on the loan by the Partnership. If not paid earlier, all outstanding principal and interest accrued must be repaid to Easter Seals NH on June 30, 2052. Payments of principal and interest are to be made to the extent of available cash flow, as defined in the agreement. If repayment is not made within thirty days of the maturity date, or if any payment due is not paid within thirty days of the due date, then interest will be payable on any unpaid sum at the rate of 12% per annum, compounded annually, until such amount is paid, or another means of payment is arranged.

Reimbursement Agreements

On June 30, 2022, Easter Seals NH entered into a Reimbursement Agreement with the Partnership to reimburse Easter Seals NH for all predevelopment expenses incurred by the Project that were paid by Easter Seals NH. The Partnership acknowledged and agreed that the Partnership is solely responsible to pay all project expenses not later than the date of the closing of the Partnership's construction loan for the Project, which was July 13, 2022. At August 31, 2023, Easter Seals NH was owed \$1,818,919 and \$394,316, respectively, by the Partnership, which amount is recorded within accounts receivable from related entity in the accompanying consolidated statements of financial position. The entire amount due at August 31, 2023 was paid subsequent to year end.

Further, Easter Seals NH will be paid certain amounts under a Partnership Administration Agreement, dated as of June 30, 2022 between Easter Seals NH and the Partnership, whereby Easter Seals NH will provide various administrative services in exchange for fees of \$4,875 per year beginning in 2023, increasing 3% annually beginning January 1, 2024. The administration fee is payable solely if cash flow is available and otherwise the unpaid portion is accrued and payable on a cumulative basis in the first year in which there are sufficient cash flows. No amounts were paid under this agreement in 2023.

Right of Refusal and Option Agreement

Through a Right of Refusal and Option Agreement dated June 30, 2022, the Partnership granted to Easter Seals NH certain rights of first refusal and options to purchase the Project, which, if elected, would include the 99.99% interest in the Project held by Housing New England Fund IV. As a result, Easter Seals NH has been granted an irrevocable, successive, and exclusive right of refusal to purchase the Project. Such right is exercisable for a period of 24-months beginning upon expiration of an initial 15-year compliance period, and continuing until the Partnership otherwise sells the Project.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2023 and 2022

15. Champlin Place Limited Partnership (Continued)

Through a Right of Refusal and Opinion Agreement dated June 30, 2022, Housing New England Fund IV has the option to give written notice to Champlin Place, Inc. at any time following the end of the Credit Period, as defined, to require Champlin Place, Inc. to purchase the interest of Housing New England Fund IV for a price equal to the sum of: (i) \$100, (ii) the amount of any federal, state or local tax liability required to be paid (including, without limitation, any real estate transfer or franchise taxes), (iii) any costs incurred by Housing New England Fund IV in connection with the transfer of its interest, and (iv) all amounts then due and owing to Housing New England Fund IV or its affiliates under the agreement. Upon receipt of such written notice of the put option, Champlin Place, Inc. shall purchase such interest and make all payments required within 30 days. At the date of these consolidated financial statements, the put option was not eligible to be exercised by Housing New England Fund IV, and it is expected that the Credit Period will extend through December 31, 2034.

Guaranty Agreement

On June 30, 2022, Easter Seals NH unconditionally guaranteed due payment, performance, and fulfillment of certain obligations of the Partnership and Housing New England Fund IV. Easter Seals NH's liability is generally limited and shall not exceed \$402,000 in the aggregate, and the guaranty terminates upon the later of the 60th month anniversary of the stabilization date, as defined, and the date that the Partnership has achieved stabilized occupancy for five consecutive calendar years. However, should an operating deficit arise before the latest of permanent mortgage commencement or cost certification, as defined in the agreement, or the date the Project achieves 100% occupancy, then Easter Seals NH's obligation to advance funds to pay operating deficits shall be unlimited. At the date of these consolidated financial statements, no events or conditions have occurred that would trigger Easter Seals NH's performance under the guaranty agreement.

16. Commitments and Contingencies

Construction Commitments

Easter Seals NH has a committed construction contract totaling approximately \$684,000 at August 31, 2023. A member of the Board of Directors is an executive at the construction company. In September 2023, Easter Seals entered into a committed construction contract totaling approximately \$9,093,000 with an unrelated construction company. There were no committed construction contracts at August 31, 2022.

Contingencies

On September 18, 2020, the *Crime Victims' Rights Enhancement Act of 2020* (Act) was signed into law by the governor of New Hampshire, effectively removing the statute of limitations for filing specified claims in New Hampshire. Over the past year, Easter Seals NH has experienced an increase in notices of potential claims against it which fall under the provisions of the Act. Management of Easter Seals NH has identified insurance policies that they believe will cover any exposure and is working with legal counsel to appropriately respond to claims as they arise. No amounts have been provided in these consolidated financial statements relative to this matter.

OTHER FINANCIAL INFORMATION

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

August 31, 2023

ASSETS

	<u>New Hampshire*</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Eliminations</u>	<u>Total</u>
Current assets:						
Cash and cash equivalents	\$ 8,198,636	\$ 500	\$ 18,945	\$ -	\$ -	\$ 8,218,081
Restricted cash	99,784	-	-	-	-	99,784
Short-term investments, at fair value	10,230,068	-	-	-	-	10,230,068
Accounts receivable from affiliates	-	8,602,727	791,071	-	(9,393,798)	-
Accounts receivable from related entity	1,818,919	-	-	-	-	1,818,919
Program and other accounts receivable	12,259,802	1,247,014	885,686	-	-	14,392,502
Contributions receivable, net	127,893	1,013	13	-	-	128,919
Prepaid expenses and other current assets	<u>1,374,153</u>	<u>7,355</u>	<u>23,176</u>	<u>-</u>	<u>-</u>	<u>1,404,684</u>
Total current assets	34,109,255	9,858,609	1,718,891	-	(9,393,798)	36,292,957
Assets limited as to use	1,967,140	5,148	-	-	-	1,972,288
Investments, at fair value	12,898,371	763,509	-	-	-	13,661,880
Investment in related entity	1,742	-	-	-	-	1,742
Other assets	327,763	-	-	-	-	327,763
Intangible assets	736,658	-	-	-	-	736,658
Operating lease right-of-use assets	1,554,452	515,540	581,839	-	-	2,651,831
Fixed assets, net	<u>23,185,728</u>	<u>5,313,522</u>	<u>77,087</u>	<u>-</u>	<u>-</u>	<u>28,576,337</u>
	<u>\$74,781,109</u>	<u>\$16,456,328</u>	<u>\$2,377,817</u>	<u>\$ -</u>	<u>\$(9,393,798)</u>	<u>\$84,221,456</u>

LIABILITIES AND NET ASSETS

	<u>New Hampshire*</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Eliminations</u>	<u>Total</u>
Current liabilities:						
Accounts payable	\$ 5,126,679	\$ -	\$ -	\$ -	\$ -	\$ 5,126,679
Accrued expenses	6,339,691	94,448	812	-	-	6,434,951
Accounts payable to affiliates	9,393,798	-	-	-	(9,393,798)	-
Deferred revenue	2,536,453	-	1,521	-	-	2,537,974
Current portion of operating lease liabilities	556,577	113,485	235,544	-	-	905,606
Current portion of interest rate swap agreement	15,663	-	-	-	-	15,663
Current portion of long-term debt	<u>903,137</u>	<u>118,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,021,877</u>
Total current liabilities	24,871,998	326,673	237,877	-	(9,393,798)	16,042,750
Other liabilities	2,207,832	5,148	-	-	-	2,212,980
Interest rate swap agreement, less current portion	516,017	-	-	-	-	516,017
Operating lease liabilities, less current portion	1,012,438	408,330	352,181	-	-	1,772,949
Long-term debt, less current portion, net	<u>12,912,760</u>	<u>3,930,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,843,611</u>
Total liabilities	41,521,045	4,671,002	590,058	-	(9,393,798)	37,388,307
Net assets:						
Without donor restrictions	27,803,279	11,194,460	1,784,632	-	-	40,782,371
With donor restrictions	<u>5,456,785</u>	<u>590,866</u>	<u>3,127</u>	<u>-</u>	<u>-</u>	<u>6,050,778</u>
Total net assets	<u>33,260,064</u>	<u>11,785,326</u>	<u>1,787,759</u>	<u>-</u>	<u>-</u>	<u>46,833,149</u>
	<u>\$74,781,109</u>	<u>\$16,456,328</u>	<u>\$2,377,817</u>	<u>\$ -</u>	<u>\$(9,393,798)</u>	<u>\$84,221,456</u>

* Includes Champlin Place, Inc.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

August 31, 2022

ASSETS

	<u>New Hampshire*</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Eliminations</u>	<u>Total</u>
Current assets:						
Cash and cash equivalents	\$14,819,630	\$ 520	\$ 17,611	\$ -	\$ -	\$14,837,761
Restricted cash	79,819	-	-	-	-	79,819
Short-term investments, at fair value	10,055,639	-	-	-	-	10,055,639
Accounts receivable from affiliates	-	9,187,000	573,894	-	(9,760,894)	-
Accounts receivable from related entity	394,316	-	-	-	-	394,316
Program and other accounts receivable	8,063,145	941,833	743,663	-	-	9,748,641
Contributions receivable, net	171,994	259	-	-	-	172,253
Prepaid expenses and other current assets	<u>892,299</u>	<u>2,070</u>	<u>13,540</u>	<u>-</u>	<u>-</u>	<u>907,909</u>
Total current assets	34,476,842	10,131,682	1,348,708	-	(9,760,894)	36,196,338
Assets limited as to use	1,834,925	2,520	-	-	-	1,837,445
Investments, at fair value	12,622,311	797,044	-	-	-	13,419,355
Investment in related entity	1,742	-	-	-	-	1,742
Other assets	349,154	-	-	-	-	349,154
Fixed assets, net	<u>18,914,210</u>	<u>8,214,080</u>	<u>87,953</u>	<u>-</u>	<u>-</u>	<u>27,216,243</u>
	<u>\$68,199,184</u>	<u>\$19,145,326</u>	<u>\$1,436,661</u>	<u>\$ -</u>	<u>\$(9,760,894)</u>	<u>\$79,020,277</u>

LIABILITIES AND NET ASSETS

	<u>New Hampshire*</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Eliminations</u>	<u>Total</u>
Current liabilities:						
Accounts payable	\$ 2,538,018	\$ -	\$ -	-	\$ -	\$ 2,538,018
Accrued expenses	6,381,470	69,089	-	-	-	6,450,559
Accounts payable to affiliates	9,760,894	-	-	-	(9,760,894)	-
Deferred revenue	4,055,463	527,793	15,389	-	-	4,598,645
Current portion of interest rate swap agreement	579,174	-	-	-	-	579,174
Current portion of long-term debt	<u>901,994</u>	<u>114,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,016,962</u>
Total current liabilities	24,217,013	711,850	15,389	-	(9,760,894)	15,183,358
Other liabilities	2,127,802	2,520	-	-	-	2,130,322
Interest rate swap agreement, less current portion	416,010	-	-	-	-	416,010
Long-term debt, less current portion, net	<u>11,817,107</u>	<u>6,043,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,861,006</u>
Total liabilities	38,577,932	6,758,269	15,389	-	(9,760,894)	35,590,696
Net assets:						
Without donor restrictions	24,296,543	11,786,295	1,368,028	-	-	37,450,866
With donor restrictions	<u>5,324,709</u>	<u>600,762</u>	<u>53,244</u>	<u>-</u>	<u>-</u>	<u>5,978,715</u>
Total net assets	<u>29,621,252</u>	<u>12,387,057</u>	<u>1,421,272</u>	<u>-</u>	<u>-</u>	<u>43,429,581</u>
	<u>\$68,199,184</u>	<u>\$19,145,326</u>	<u>\$1,436,661</u>	<u>\$ -</u>	<u>\$(9,760,894)</u>	<u>\$79,020,277</u>

* Includes Champlin Place, Inc.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2023

	<u>New Hampshire*</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Eliminations</u>	<u>Total</u>
Public support and revenue:						
Public support:						
Contributions, net	\$ 845,518	\$ 36,048	\$ 45,308	\$ —	\$ —	\$ 926,874
Special events, net	852,246	32,403	32,435	—	—	917,084
Annual campaigns, net	303,914	63,177	4,226	—	—	371,317
Bequests	<u>141,913</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>141,913</u>
Total public support	2,143,591	131,628	81,969	—	—	2,357,188
Revenue:						
Fees and tuition	59,290,826	5,813,319	7,460,477	—	(50,261)	72,514,361
Grants	28,567,311	4,537,713	534,090	—	—	33,639,114
Gain on extinguishment of debt	750,000	—	—	—	—	750,000
Dividend and interest income	1,464,806	34,433	—	—	—	1,499,239
Rental income	28,892	—	—	—	—	28,892
Intercompany revenue	1,856,432	—	—	—	(1,856,432)	—
Other	<u>134,801</u>	<u>4</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>134,805</u>
Total revenue	<u>92,093,068</u>	<u>10,385,469</u>	<u>7,994,567</u>	<u>—</u>	<u>(1,906,693)</u>	<u>108,566,411</u>
Total public support and revenue	94,236,659	10,517,097	8,076,536	—	(1,906,693)	110,923,599
Operating expenses:						
Program services:						
Public health education	18,834	—	—	—	—	18,834
Professional education	147,597	—	—	—	—	147,597
Direct services	<u>77,804,329</u>	<u>9,985,452</u>	<u>6,821,585</u>	<u>—</u>	<u>(50,261)</u>	<u>94,561,105</u>
Total program services	77,970,760	9,985,452	6,821,585	—	(50,261)	94,727,536

	<u>New Hampshire*</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Eliminations</u>	<u>Total</u>
Supporting services:						
Management and general	\$10,704,871	\$ 1,096,826	\$ 760,752	\$ -	\$(1,856,432)	\$ 10,706,017
Fundraising	<u>2,213,847</u>	<u>25,441</u>	<u>127,712</u>	<u>-</u>	<u>-</u>	<u>2,367,000</u>
Total supporting services	<u>12,918,718</u>	<u>1,122,267</u>	<u>888,464</u>	<u>-</u>	<u>(1,856,432)</u>	<u>13,073,017</u>
Total functional expenses	90,889,478	11,107,719	7,710,049	-	(1,906,693)	107,800,553
Support of National programs	<u>166,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,882</u>
Total operating expenses	<u>91,056,360</u>	<u>11,107,719</u>	<u>7,710,049</u>	<u>-</u>	<u>(1,906,693)</u>	<u>107,967,435</u>
Increase (decrease) in net assets from operations	3,180,299	(590,622)	366,487	-	-	2,956,164
Other non-operating expenses, gains and losses:						
Change in fair value of interest rate swap	463,504	-	-	-	-	463,504
Net unrealized and realized gains on investments, net	(11,715)	(11,109)	-	-	-	(22,824)
Decrease in fair value of beneficial interest in trust held by others	(4,353)	-	-	-	-	(4,353)
Loss on sales and disposals of fixed assets	<u>11,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,077</u>
	<u>458,513</u>	<u>(11,109)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>447,404</u>
Total increase (decrease) in net assets	3,638,812	(601,731)	366,487	-	-	3,403,568
Net assets (deficit) at beginning of year	<u>29,621,252</u>	<u>12,387,057</u>	<u>1,421,272</u>	<u>-</u>	<u>-</u>	<u>43,429,581</u>
Net assets (deficit) at end of year	<u>\$33,260,064</u>	<u>\$11,785,326</u>	<u>\$1,787,759</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,833,149</u>

* Includes Champlin Place, Inc.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2022

	<u>New Hampshire*</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Eliminations</u>	<u>Total</u>
Public support and revenue:						
Public support:						
Contributions, net	\$ 1,014,261	\$ 87,404	\$ 28,492	\$ 3,570	\$ —	\$ 1,133,727
Special events, net	1,951,633	29,142	(327)	(5,129)	—	1,975,319
Annual campaigns, net	242,613	1,555	4,404	454	—	249,026
Bequests	<u>4,160</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,160</u>
Total public support	3,212,667	118,101	32,569	(1,105)	—	3,362,232
Revenue:						
Fees and tuition	49,164,160	5,951,665	6,796,612	65,805	(63,622)	61,914,620
Grants	27,738,493	3,175,912	571,852	143,893	—	31,630,150
Gain on extinguishment of debt	5,531,044	3,595,084	51,164	72,708	—	9,250,000
Dividend and interest income	814,161	32,880	—	116	—	847,157
Rental income	31,762	—	—	—	—	31,762
Intercompany revenue	1,860,214	—	—	—	(1,860,214)	—
Other	<u>391,445</u>	<u>390</u>	<u>2,817</u>	<u>—</u>	<u>—</u>	<u>394,652</u>
Total revenue	<u>85,531,279</u>	<u>12,755,931</u>	<u>7,422,445</u>	<u>282,522</u>	<u>(1,923,836)</u>	<u>104,068,341</u>
Total public support and revenue	88,743,946	12,874,032	7,455,014	281,417	(1,923,836)	107,430,573
Operating expenses:						
Program services:						
Public health education	26,267	—	—	—	—	26,267
Professional education	160,997	—	—	—	—	160,997
Direct services	<u>67,751,508</u>	<u>10,563,928</u>	<u>6,752,825</u>	<u>264,512</u>	<u>(85,132)</u>	<u>85,247,641</u>
Total program services	67,938,772	10,563,928	6,752,825	264,512	(85,132)	85,434,905

	<u>New Hampshire*</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Eliminations</u>	<u>Total</u>
Supporting services:						
Management and general	\$ 9,484,776	\$ 1,105,551	\$ 710,875	\$ 30,713	\$(1,838,704)	\$ 9,493,211
Fundraising	<u>2,053,912</u>	<u>24,250</u>	<u>51,860</u>	<u>24,577</u>	<u>-</u>	<u>2,154,599</u>
Total supporting services	<u>11,538,688</u>	<u>1,129,801</u>	<u>762,735</u>	<u>55,290</u>	<u>(1,838,704)</u>	<u>11,647,810</u>
Total functional expenses	79,477,460	11,693,729	7,515,560	319,802	(1,923,836)	97,082,715
Support of National programs	<u>130,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,276</u>
Total operating expenses	<u>79,607,736</u>	<u>11,693,729</u>	<u>7,515,560</u>	<u>319,802</u>	<u>(1,923,836)</u>	<u>97,212,991</u>
Increase (decrease) in net assets from operations	9,136,210	1,180,303	(60,546)	(38,385)	-	10,217,582
Other non-operating expenses, gains and losses:						
Change in fair value of interest rate swap	1,243,067	-	-	-	-	1,243,067
Net unrealized and realized losses on investments, net	(3,081,646)	(163,551)	-	(1,035)	-	(3,246,232)
Increase in fair value of beneficial interest in trust held by others	11,278	-	-	-	-	11,278
Loss on sales, disposal and impairment of fixed assets	<u>(55,771)</u>	<u>(1,881,569)</u>	<u>(2,604)</u>	<u>(1,151)</u>	<u>-</u>	<u>(1,941,095)</u>
	<u>(1,883,072)</u>	<u>(2,045,120)</u>	<u>(2,604)</u>	<u>(2,186)</u>	<u>-</u>	<u>(3,932,982)</u>
Total increase (decrease) in net assets before effects of dissolution of affiliate	7,253,138	(864,817)	(63,150)	(40,571)	-	6,284,600
Dissolution of an affiliate	<u>(3,934,851)</u>	<u>-</u>	<u>(2,861)</u>	<u>3,937,712</u>	<u>-</u>	<u>-</u>
Total increase (decrease) in net assets	3,318,287	(864,817)	(66,011)	3,897,141	-	6,284,600
Net assets (deficit) at beginning of year	<u>26,302,965</u>	<u>13,251,874</u>	<u>1,487,283</u>	<u>(3,897,141)</u>	<u>-</u>	<u>37,144,981</u>
Net assets at end of year	<u>\$29,621,252</u>	<u>\$12,387,057</u>	<u>\$1,421,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,429,581</u>

* Includes Champlin Place, Inc.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2023

	<u>New Hampshire*</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Eliminations</u>	<u>Total</u>
Salaries and related expenses	\$66,392,788	\$ 7,358,091	\$6,006,342	\$ -	\$ -	\$ 79,757,221
Professional fees	11,560,471	2,113,838	830,368	-	(1,856,432)	12,648,245
Supplies	1,736,449	450,352	42,655	-	-	2,229,456
Telephone	607,196	79,626	76,852	-	-	763,674
Postage and shipping	39,002	889	24,532	-	-	64,423
Occupancy	2,727,997	453,018	317,250	-	-	3,498,265
Outside printing, artwork and media	37,877	-	13,089	-	-	50,966
Travel	1,562,364	17,453	193,104	-	(14,221)	1,758,700
Conventions and meetings	174,310	114,459	8,164	-	-	296,933
Specific assistance to individuals	1,533,890	8,451	47,994	-	(36,040)	1,554,295
Dues and subscriptions	48,344	856	319	-	-	49,519
Minor equipment purchases and equipment rentals	242,674	24,460	13,716	-	-	280,850
Ads, fees and miscellaneous	1,033,220	71,759	102,255	-	-	1,207,234
Interest	644,467	146,371	-	-	-	790,838
Depreciation and amortization	1,573,429	268,096	33,409	-	-	1,874,934
Grant expense	<u>975,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>975,000</u>
	<u>\$90,889,478</u>	<u>\$11,107,719</u>	<u>\$7,710,049</u>	<u>\$ -</u>	<u>\$(1,906,693)</u>	<u>\$ 107,800,553</u>

* Includes Champlin Place, Inc.

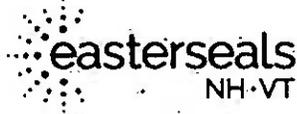
EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2022

	<u>New Hampshire*</u>	<u>Farnum Center</u>	<u>Vermont</u>	<u>Maine</u>	<u>Eliminations</u>	<u>Total</u>
Salaries and related expenses	\$59,016,148	\$ 7,909,493	\$6,054,385	\$164,839	\$ -	\$73,144,865
Professional fees	9,956,300	1,828,032	772,153	47,970	(1,838,704)	10,765,751
Supplies	1,402,773	435,168	29,343	507	-	1,867,791
Telephone	555,548	95,972	74,650	6,333	-	732,503
Postage and shipping	44,949	1,615	14,919	-	-	61,483
Occupancy	2,055,257	522,398	293,049	14,515	-	2,885,219
Outside printing, artwork and media	47,301	-	399	-	-	47,700
Travel	1,419,777	35,458	143,244	2,657	(46,054)	1,555,082
Conventions and meetings	116,866	44,568	3,625	15	-	165,074
Specific assistance to individuals	1,681,563	12,718	50,891	80,759	(39,078)	1,786,853
Dues and subscriptions	31,475	(2,275)	135	-	-	29,335
Minor equipment purchases and equipment rentals	228,853	18,230	3,334	1,255	-	251,672
Ads, fees and miscellaneous	885,403	78,016	41,875	104	-	1,005,398
Interest	562,621	217,532	-	-	-	780,153
Depreciation and amortization	<u>1,472,626</u>	<u>496,804</u>	<u>33,558</u>	<u>848</u>	<u>-</u>	<u>2,003,836</u>
	<u>\$79,477,460</u>	<u>\$11,693,729</u>	<u>\$7,515,560</u>	<u>\$319,802</u>	<u>\$(1,923,836)</u>	<u>\$97,082,715</u>

* Includes Champlin Place, Inc.



2024 Board of Directors

Chairman

Bryan Bouchard

Past Chairman

Andrew MacWilliam

Vice Chairman

Thomas Sullivan

Treasurer

Paul Voegelin

Secretary & General Counsel

Bradford Cook

Ajay Arigala

Gregory Baxter, MD

Matthew Boucher

Jo Brown

Rick Courtemanche

Dan Cronin

Eddie Edwards

Ryan Fox

Linda James

William Lambrukos

Susan Martore-Baker

Tracey Pelton

Richard Rawlings

Nathan Saller

Sgt. Amanda Smith

Sanjeev Srinivasan

Tim Wade

Rob Wiczorek

CATHY KUHN, PHD

STRATEGIST | COMMUNITY RELATIONS | NONPROFIT MANAGEMENT

Agile, innovative leader with a proven record of accomplishments, creating long-standing trust and respect from executives, staff, key stakeholders, and media. Results-oriented professional with a natural ability to motivate others to achieve desired outcomes. Knowledgeable and articulate advocate with a proven track record of results

Signature Achievements & Competencies

- Doubled budget of the Metropolitan Housing Coalition in one year with private foundation grants and contracts.
- Managed over \$4 million in local, federal and state funding sources at Families in Transition. Secured over \$400,000 in private foundation grants in 2019, over \$500,000 in private foundation grants in 2018, as well as a new federal grant for \$1.5 million over five years.
- Provided strategic direction for all agency activities including Emergency Shelter and Housing Services, Research and Evaluation, Marketing and Communications, Resource Development, Grants Management, Property Management and Housing Development.
- Served as subject matter expert on the issue of homelessness across the state of New Hampshire. Currently serve as subject matter expert for TV, radio and print media on a range of issues related to safe and affordable housing, in Louisville, KY.
- Develop and foster strong relationships with city, state, federal and corporate partners.
- Served as the Chairperson of the NH Governor's Interagency Council of Homelessness, appointed by Governor Hassan and Governor Sununu.

PROFESSIONAL HIGHLIGHTS

EXECUTIVE DIRECTOR

Metropolitan Housing Coalition Louisville, KY | October 2020 - Present

- Responsible for all aspects of agency operations including board development and engagement, financial management and forecasting; fundraising; strategic planning; communications and marketing; outcomes and evaluation.
- Leader in advocacy regarding all aspects of affordable housing including fair housing; vacant and abandoned properties; land development code reform; utility insecurity.
- Led successful application for national affordable housing learning collaborative. Louisville was 1 in 8 cities selected for participation in the Housing Solutions Collaborative in partnership with over 10 local organizations.
- Received \$120,000 research grant to investigate interventions to reduce the high rate of evictions in Louisville.
- Serve as local expert on issues related to affordable housing, participating on dozens of local housing committees and panels, as well as key spokesperson for TV, print, and radio media.

CATHY KUHN, PhD

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PROFESSIONAL HIGHLIGHTS - CONTINUED

HOUSING DEVELOPMENT CONSULTANT

Easter Seals NH, VT and ME | January-July 2021

- Provide consultation to Easter Seals NH on acquisition of new permanent supportive housing projects for people experiencing homelessness in New Hampshire.
- Provide assistance to Easter Seals NH on the development of new affordable housing in Northern New England.
- Provide consultation to Easter Seals NH on Property Management processes and funding compliance.

PROFESSIONAL HIGHLIGHTS - CONTINUED

CHIEF STRATEGY OFFICER/INTERIM TEAM EXECUTIVE DIRECTOR

Families in Transition Manchester, NH | Oct 2019-June 2020

VP, Research and Training (2009-2019) Director, Housing Development (2007-2008)

- Appointed Interim Team Leader after departure of agency founder in October 2019. Assigned supervisory responsibilities for staff and departments formerly supervised by the former President including Property Maintenance and Housing Development, Resource Development, and Marketing and Communications.
- Led the agency through the COVID-19 pandemic, successfully and immediately standing up the city's only decompression and quarantine site for people experiencing homelessness. Ensured a safe working environment for all staff and a safe living environment for over 500+ people per night.
- Core member of senior management team providing strategic direction and operational management for organization with \$13M budget and 200+ staff, operating programs in four cities and towns in New Hampshire.
- Provided strategic direction for Emergency Shelter and Housing Intake, Research and Evaluation, Marketing and Communications, Resource Development, Grants Management, Property Management and Housing Development.
- Acted as agency spokesperson.
- Led fundraising, construction and programmatic development of new emergency shelters and permanent supportive housing programs across New Hampshire.
- Acted as the direct supervision to 11 staff at all levels ranging from senior management, mid-management, frontline, administration and 1 VISTA (Volunteer in Service to America).
- Provided strategic guidance in the merger of the organization with another large nonprofit and provided oversight for the rebranding process.
- Successfully started Housing Benefits, an independent Community Housing Development Organization (CHDO) and ensured compliance with 501c3 and CHDO requirements.
- Managed the maintenance and administration of existing and new housing projects.
- Led agency evaluation efforts on existing programs and services to ensure fidelity with evidence-based models.
- Led high quality training and educational forums for both staff and citizens on existing research regarding homelessness and the provision of evidence based practices.

CATHY KUHN, PhD

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PROFESSIONAL HIGHLIGHTS - CONTINUED

DIRECTOR

New Hampshire Coalition to End Homelessness | 2012-2020

- Established, developed and managed agency Board of Directors.
- Led statewide advocacy activities in the response to COVID-19 highlighting the need for shelter decompression, isolation and quarantine locations, testing, and PPEs for staff and people experiencing homelessness in NH.
- Served as subject matter expert on the issue of homelessness across the state.
- Developed and authored annual report on the State of Homelessness in New Hampshire.
- Management of all programmatic and financial affairs of the agency including strategic planning and implementation of new programming.
- Created and implemented the Granite Leaders Program, a six month leadership training program for people with histories of homelessness interested in leadership opportunities in their communities.
- Provided trainings on trauma informed services and other best practices in service provision for people experiencing homelessness.
- Researched and authored Community Analyses of Housing and Homelessness, Wakefield, NH. 2018
- Developed and implemented marketing strategies and public awareness activities.
- Identified and led statewide collaborations and innovations in homeless services, including the establishment of the NH Homeless Advocate Leader Collaborative.
- Served as the Chairperson of the NH Governor's Interagency Council of Homelessness, appointed under Governor Hassan and Governor Sununu.
- Led state and local advocacy efforts including public testimony at legislative hearings.
- Founded Research Program Facilitating Research on Homelessness with faculty and students in institutions of higher learning across NH.

PROFESSIONAL HIGHLIGHTS - CONTINUED

ADJUNCT PROFESSOR

**St Anselm College, Southern New Hampshire University, New Hampshire Technical Institute
Manchester and Concord, NH | 2006 – Present**

- Courses taught include: Social and Professional Issues in Human Services; Introduction to Sociology; Poverty and Social Welfare Policy; Sociology of Gender; Social Stratification; Race and Ethnicity; Family and Society.
- Consistently receive high evaluations from students of all backgrounds and abilities.

Additional Achievements, Education & Board Service, Continued Page 3

PROFESSIONAL HIGHLIGHTS - CONTINUED

**UNITED STATES PEACE CORPS VOLUNTEER
PANAMA | 1997-1999**

- Environmental Education Instructor, Grades K-5.

CATHY KUHN, PhD

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EDUCATION & PROFESSIONAL DEVELOPMENT

Ph.D. Sociology/Urban Studies, July 2006
Michigan State University

Master of Science, Resource Development/Urban Studies, May 2001
Michigan State University

Bachelor of Science, *cum laude*, Environmental Studies, May 1995
Rollins College, Winter Park, FL

BOARD LEADERSHIP & PROFESSIONAL ACHIEVEMENTS

Co-Author of Chapter in Forthcoming Book. Oxford University Press comprehensive, interdisciplinary volume on hope.
"Hope and Homelessness." with Therese Seibert, PhD | May 2021-Present.

Awardee, 2020 Home Matters in NH Award for Affordable Housing and Ending Homelessness Advocacy in NH. |
December 16, 2020.

Chair, NH Governor's Interagency Council on Homelessness | 2016 – August 2020.

Vice Chair, Manchester Continuum of Care | 2017-August 2020.

Governing Council Member, Housing Action New Hampshire | 2016– August 2020.

Member, Housing and Community Development Planning Committee | 2018-August 2020.
New Hampshire Housing and Finance Authority

Board Member, Concord Coalition to End Homelessness | 2014-2016

Graduate, Leadership New Hampshire | Class of 2019

Awardee, NH Union Leader 40 Under Forty | Class of 2012
Recognizing young leaders making a difference in the state.

Interviewee, Movers & Shakers iHeartRADIO Show | June 2020
A series of interviews of leaders from all over the country

Guest on NHPR's The Exchange Radio Show | 2013, 2014, 2015, 2016 and 2019.

Guest on KY Radio Alliance Show | 2021

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BOARD LEADERSHIP & PROFESSIONAL ACHIEVEMENTS, CONTINUED

Guest on Louisville Public Meida's *In Conversation* Radio Show | September 2021

Subject Matter Expert

Appearance in TV and print media sources including
WMUR, NH1, Union Leader, Seacoast Online, HIPPO, Manchester Ink Link,
NH Business Review, Laconia Daily Sun, Christian Science Monitor, AP, Courier Journal, Louisville Public Media, Spectrum
News, etc.de

...ic professional offering 25+ years of experience building and growing multi-provider centers of care with focus on patient experience, cost-saving solutions, streamlining resources, workflows and problem solving. Integrity-driven and highly organized change agent.

Experienced Leader
Operations Excellence
Green Belt

Personal Info

Green Belt Projects

Created Travel Clinic

Maternal Mental Health Safety Bundle for inpatient and outpatient setting

Master Connections Associates Training for ambulatory practices

Established Center for Women's Health & Wellness

Additional Activities

SURT (Substance Use Resource Team) Champion

"It's About Dignity" Led drive raising 1,780 items for GATHER Seacoast

Seacoast Cancer Center 5K Ambassador and Team Captain

Seacoast Mom & Baby Festival

WERZ Bridal Showcase

Experience

Senior Vice President Practice Management- Easterseals NH/VT & Farnum Center January 2023-Current

- Established short-term and long-term objectives to increase process efficiency.
- Facilitated Compliance efforts for billing, internal and external audits and policy creation
- Implemented workflows following best practice models for outpatient care
- Instituted KPI and industry utilization standard metrics
- Identification of process gaps and implementation of sustainable procedures
- Identified areas of opportunity for revenue recovery and expense reduction

Practice Manager III- Wentworth Health Partners OB/GYN & Infertility and Center for Women's Health & Wellness March 2017-December 2022

- Transformed 4.7 FTE Provider practice to 18.1 FTE Provider practice with two locations:
 - Exceeded strategic goals for growth, patient visits by 316%, new obstetric panel by 472% and deliveries by 276%. Integrated nutrition, behavioral health, health coaching and nurse navigation for high risk and fertility. Net revenue growth from \$1.5 million to \$5.5 million.
- Developed and implemented patient safety and education measures
- Facilitated integration of Physicians from Mass General Hospital Maternal Fetal Medicine, Gynecology Oncology and Urogynecology, to complement existing service.
- Spearheaded initiatives to transform clinical and clerical operations.
- Repurposed space during Covid-19 to operationalize Covid Hotline for community questions, symptom triage, scheduling and resulting tests. Collaboration with Surgical Services for pre-surgical screening and planning. 28 nurses, 4 locations. Fielded over 6,700 incoming calls.
- Financial reporting and data analysis

Practice Manager-Coastal Neurology Services, Inc. October 2000-March 2017

- Created budget and accounting practices for private practice.
 - Tax reporting, vendor contracting, medical billing, A/R, A/P, appeals, created fee schedule, benchmarking, and reporting, corporate documents
- Human resources
 - Retirement, profit sharing, cafeteria plans, created performance evaluation tool and process, physician credentialing
- Facilitated Clinical Trials for Alzheimer's, Multiple Sclerosis, Lambert-Eaton Syndrome, Parkinson's Disease. Psychometrician for Elan Alzheimer's Study
- Staffing recruiter for Wentworth Health Partners practices. Facilitation and inclusion of 200+ interviews for clerical, clinical and provider staffing.
- Patient flow and capacity management
- Initiation of Compliance and HIPAA program

Education and Additional Training

- Granite State College-Associates in Business Management, magna cum laude
- Operations Excellence Green Belt Certified
- Master Connections Associates (Ritz Carleton) Facilitator
- CITI Program-Human Subjects Research Biomedical Research Basic
- CRST (Clinical Research Training)-Coordination of Clinical Trials

NH Department of Health and Human Services

KEY PERSONNEL

List those primarily responsible for meeting the terms and conditions of the agreement.

Job descriptions not required for vacant positions.

Contractor Name: Manchester Alcoholism Rehabilitation Center (Farnum Center)

NAME	JOB TITLE	ANNUAL AMOUNT PAID FROM THIS CONTRACT	ANNUAL SALARY
Catherine Kuhn	Chief Operating Officer	\$0.00	\$245,100.00
Amy Joslin	SVP of Practice Management	\$0.00	\$133,900.00