



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF LONG TERM SUPPORTS AND SERVICES

50

Lori A. Weaver
Commissioner

Melissa A. Hardy
Director

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January 31, 2025

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Long Term Supports and Services, to amend an existing contract with Granite Pathways (VC#228900), Manchester, NH, which was a result of a competitive procurement, to continue to support individuals with Acquired Brain Disorder and/or Traumatic Brain Injuries with integrated social supports, by exercising a contract renewal option by extending the completion date from March 31, 2025 to December 31, 2025, effective April 1, 2025, upon Governor and Council approval, with no change to the price limitation of \$721,797. 100% Federal Funds.

The original contract was approved by Governor and Council on September 20, 2023, item #20.

Funds are available in the following account for State Fiscal Year 2025, and are anticipated to be available in State Fiscal Year 2026, upon the availability and continued appropriation of funds in the future operating budget,

05-95-093-930010-26060000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT, HHS: DIV OF DEVELOPMENTAL SVCS, HCBS ENHANCED FMAP - ARP

State Fiscal Year	Class / Account	Class Title	Job Number	Current Budget	Increased (Decreased) Amount	Revised Budget
2024	102-500731	Contracts for Prog Svc	93009020	\$346,867	(\$189,573)	\$157,294
2025	102-500731	Contracts for Prog Svc	93009020	\$374,930	\$0	\$374,930
2026	102-500731	Contracts for Prog Svc	93009020	\$0	\$189,573	\$189,573
			Total	\$721,797	\$0	\$721,797

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
Page 2 of 2

EXPLANATION

The purpose of this request is to extend the contract by nine (9) months, at no additional cost to the Department, in order to allow the Contractor to complete contract deliverables and continue providing an integrated social support center based on a Clubhouse model, an evidence-based, recovery-oriented program including peer support. This amendment will allow for the continued expansion of these services statewide, directly in response to requests from the covered populations.

The Center for Medicare & Medicaid Services (CMS) approved the Department's request to extend the funding from the American Rescue Plan Act of 2021, which supports the Department's Reinvestment Plan section 9817, to allow Grantees until December 31, 2025, to continue expansion of the Clubhouse Model and serve individuals with acquired brain disorders and traumatic brain injuries.

The services provided through this contract are integral to individuals with Acquired Brain Disorder and Traumatic Brain Injury, because this model offers opportunities for socialization, resources for employment, and recreational opportunities. This program serves between twelve (12) and twenty-five (25) individuals at a time. The Contractor will continue to expand Clubhouse services to more individuals through this amendment.

The Department will continue to monitor services by:

- Reviewing quarterly updates on the status of ongoing development and management of the Clubhouse;
- Reviewing participant surveys to measure satisfaction with program; and
- Reviewing quarterly updates on the status of marketing updates.

As referenced in Exhibit A of the original agreement, the parties have the option to extend the agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval. The Department is exercising its option to renew services for nine (9) months of the two (2) years available.

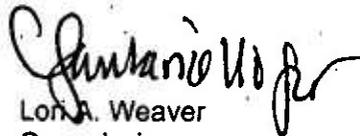
Should the Governor and Council not authorize this request, the Department will be unable to continue to build its capacity to provide integrated social supports to this population.

Area served: Statewide

Source of Federal Funds: Assistance Listing Number #93.778.

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

Respectfully submitted,


Lon A. Weaver
Commissioner

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

This Amendment to the Acquired Brain Disorder/Traumatic Brain Injury "Clubhouse Model" Pilot contract is by and between the State of New Hampshire, Department of Health and Human Services ("State" or "Department") and Granite Pathways ("the Contractor").

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on September 20, 2023 (Item #20), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

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

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

1. Form P-37 General Provisions, Block 1.7, Completion Date, to read:
December 31, 2025
2. Modify Exhibit C, Payment Terms, Section 3, to read:
3. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and shall be in accordance with the approved line items, as specified in Exhibits C-1 Budget, Amendment #1, through Exhibit C-3 Budget, Amendment #1.
3. Modify Exhibit C-1 Budget, by replacing in its entirety with Exhibit C-1 Budget, Amendment #1, which is attached hereto and incorporated by reference herein.
4. Modify Exhibit C-2 Budget, by replacing in its entirety with Exhibit C-2 Budget, Amendment #1, which is attached hereto and incorporated by reference herein.
5. Add Exhibit C-3 Budget, Amendment #1, which is attached hereto and incorporated by reference herein.

DS
KB

All terms and conditions of the Contract not modified by this Amendment remain in full force and effect. This Amendment shall be effective April 1, 2025, upon Governor and Council approval.

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

State of New Hampshire
Department of Health and Human Services

2/5/2025

Date

DocuSigned by:
Melissa Hardy
1323A24040DE495

Name: Melissa Hardy

Title: Director, DLSS

Granite Pathways

2/3/2025

Date

DocuSigned by:
Kenneth Brezenoff
7D7801CD281C4CF

Name: Kenneth Brezenoff

Title: General Counsel

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

OFFICE OF THE ATTORNEY GENERAL

2/6/2025

Date

DocuSigned by:
Robyn Guarino
748734844941460

Name: Robyn Guarino

Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:

Title:

Exhibit C-1 Budget, Amendment #1

New Hampshire Department of Health and Human Services Complete one budget form for each budget period. Contractor Name: <u>Granite Pathways</u> Budget Request for: <u>Clubhouse for TBI/ABD</u> Budget Period <u>Upon Governor and Council approval - June 30, 2024</u> Indirect Cost Rate (if applicable) <u>27.65%</u>		
Line Item	Program Cost - Funded by DHHS	
1. Salary & Wages	\$79,664	
2. Fringe Benefits	\$27,086	
3. Consultants	\$0	
4. Equipment Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	\$1,369	
5.(a) Supplies - Educational	\$0	
5.(b) Supplies - Lab	\$0	
5.(c) Supplies - Pharmacy	\$0	
5.(d) Supplies - Medical	\$0	
5.(e) Supplies Office	\$489	
6. Travel	\$111	
7. Software	\$4,054	
8. (a) Other - Marketing/ Communications	\$0	
8. (b) Other - Education and Training	\$5,980	
8. (c) Other - Other (specify below) <i>Supplies for member activities and member work units</i>	\$4,461	
<i>Other (please specify)</i>	\$0	
<i>Other (please specify)</i>	\$0	
<i>Other (please specify)</i>	\$0	
9. Subrecipient Contracts	\$0	
Total Direct Costs	\$123,214	
Total Indirect Costs	\$34,080	
TOTAL	\$157,294	

Contractor Initials DS KB
 Date 2/3/2025

New Hampshire Department of Health and Human Services Complete one budget form for each budget period. Contractor Name: <u>Granite Pathways</u> Budget Request for: <u>Clubhouse for TBI/ABD</u> Budget Period <u>July 1, 2024 - June 30, 2025</u> Indirect Cost Rate (if applicable) <u>26.65%</u>		
Line Item	Program Cost - Funded by DHHS	
1. Salary & Wages	\$194,500	
2. Fringe Benefits	\$66,130	
3. Consultants	\$8,600	
4. Equipment Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	\$2,000	
5.(a) Supplies - Educational	\$1,150	
5.(b) Supplies - Lab	\$0	
5.(c) Supplies - Pharmacy	\$0	
5.(d) Supplies - Medical	\$0	
5.(e) Supplies Office	\$850	
6. Travel	\$2,000	
7. Software	\$5,000	
8. (a) Other - Marketing/ Communications	\$1,000	
8. (b) Other - Education and Training	\$8,500	
8. (c) Other - Other (specify below) <i>Supplies for member activities and member work units</i>	\$6,300	
<i>Other (please specify)</i>	\$0	
<i>Other (please specify)</i>	\$0	
<i>Other (please specify)</i>	\$0	
9. Subrecipient Contracts	\$0	
Total Direct Costs	\$296,030	
Total Indirect Costs	\$78,900	
TOTAL	\$374,930	

New Hampshire Department of Health and Human Services Complete one budget form for each budget period.		
Contractor Name: <i>Granite Pathways</i>		
Budget Request for: <i>Clubhouse for TBI/ABD</i>		
Budget Period: <i>July 1, 2025 - December 31, 2025</i>		
Indirect Cost Rate (if applicable): <i>26.71%</i>		
Line Item	Program Cost,- Funded by DHHS	
1. Salary & Wages	\$78,014	
2. Fringe Benefits	\$26,525	
3. Consultants	\$8,600	
4. Equipment Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	\$631	
5.(a) Supplies - Educational	\$1,150	
5.(b) Supplies - Lab	\$0	
5.(c) Supplies - Pharmacy	\$0	
5.(d) Supplies - Medical	\$0	
5.(e) Supplies Office	\$361	
6. Travel	\$1,889	
7. Software	\$23,661	
8. (a) Other - Marketing/ Communications	\$3,500	
8. (b) Other - Education and Training	\$305	
8. (c) Other - Other (specify below)		
<i>Supplies for member activities and member work units</i>	\$4,964	
<i>Other (please specify)</i>	\$0	
<i>Other (please specify)</i>	\$0	
<i>Other (please specify)</i>	\$0	
9. Subrecipient Contracts	\$0	
Total Direct Costs	\$149,600	
Total Indirect Costs	\$39,973	
TOTAL	\$189,573	

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State of New Hampshire

Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that GRANITE PATHWAYS is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 08, 2009. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 613581

Certificate Number: 0007037110



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 31st day of January A.D. 2025.

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

David M. Scanlan
Secretary of State

CERTIFICATE OF AUTHORITY

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

1. I am a duly elected Clerk/Secretary/Officer of Granite Pathways.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on 02/01/2025, at which a quorum of the Directors/shareholders were present and voting.
(Date)

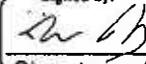
VOTED: That Kenneth Brezenoff Managing Director and General Counsel (may list more than one person)
(Name and Title of Contract Signatory)

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

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

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

Dated: 2/3/2025

Signed by:


Signature of Elected Officer
Name: Nick Brattan
Title: Chair of the Board



Granite Pathways Mission

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

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

The FEDCAP Group

September 30, 2023 and 2022

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
The FEDCAP Group

Opinion

We have audited the consolidated financial statements of The FEDCAP Group (collectively, "FEDCAP"), which comprise the consolidated statements of financial position as of September 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of FEDCAP as of September 30, 2023 and 2022, and the changes in its net assets and its 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 of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FEDCAP 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 Note 2 to the consolidated financial statements, as of October 1, 2022, FEDCAP adopted FASB ASC 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



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

Auditor's responsibilities for the audit of the financial statements

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

In performing an audit in accordance with US GAAS, we:

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

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures.



These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

New York, New York
February 15, 2024

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

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 25,187,907	\$ 55,878,023
Accounts receivable (net of allowance for doubtful accounts of approximately \$4,129,000 in 2023 and \$3,241,000 in 2022)	59,466,388	48,355,344
Current portion of contributed space receivable	2,772,958	-
Contributions and grants receivable (net of allowance for uncollectible contributions of approximately \$250,000)	2,819,540	1,179,787
Inventories, net	323,810	415,327
Prepaid expenses and other assets	10,755,454	11,828,888
Total current assets	101,326,057	117,657,369
Investments		
Property, plant and equipment, net	10,626,090	9,006,938
Operating lease right-of-use assets	144,677,742	126,130,025
Contributed space receivable, net	88,970,362	-
Beneficial interest in trusts	42,972,530	-
Other assets	4,735,763	4,398,082
Goodwill, net	999,332	994,564
	144,000	251,669
Total assets	\$ 394,451,876	\$ 258,438,647
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 42,855,716	\$ 45,905,077
Deferred revenues	10,646,471	12,901,051
Advances from government agency	40,206	564,276
Current portion of finance lease liabilities	1,259,819	532,198
Current portion of operating lease liabilities	9,866,603	-
Current portion of notes payable	1,214,654	1,181,142
Total current liabilities	65,883,469	61,083,744
Notes payable, net	23,680,632	24,731,624
Revolving loans	29,312,466	25,893,587
Finance lease liabilities, net	78,499,317	78,523,502
Operating lease liabilities, net	82,228,115	-
Other liabilities	18,293,459	19,922,198
Total liabilities	297,897,458	210,154,655
Contingencies		
Net assets		
Without donor restrictions	40,444,915	36,895,261
Without donor restrictions - non-controlling interest	649,513	2,406,738
With donor restrictions	55,459,990	8,981,993
Total net assets	96,554,418	48,283,992
Total liabilities and net assets	\$ 394,451,876	\$ 258,438,647

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

The FEDCAP Group
CONSOLIDATED STATEMENTS OF ACTIVITIES

For the years ended September 30,

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues						
Contract services and products	\$ 124,736,448	\$ -	\$ 124,736,448	\$ 117,491,258	\$ -	\$ 117,491,258
Rehabilitation and vocational programs	227,694,192	-	227,694,192	223,896,100	-	223,896,100
In-kind contribution	-	48,617,672	48,617,672	-	-	-
Contribution and grant revenues	6,657,739	954,554	7,612,293	11,070,378	200,000	11,270,378
Gain on Paycheck Protection Program loan forgiveness	-	-	-	10,718,192	-	10,718,192
Realized and unrealized gains (losses) on investments	1,124,306	151,477	1,275,783	(3,592,359)	47,221	(3,545,138)
Interest income	500,329	3,502	503,831	770,513	-	770,513
Miscellaneous revenue	1,515,601	-	1,515,601	1,037,731	-	1,037,731
Net assets released from restrictions	3,249,208	(3,249,208)	-	669,536	(669,536)	-
Total operating revenues	365,477,823	46,477,997	411,955,820	362,061,349	(422,315)	361,639,034
Operating Expenses						
Program services						
Contract services and products	106,875,813	-	106,875,813	102,095,694	-	102,095,694
Rehabilitation and vocational programs	200,937,265	-	200,937,265	190,882,531	-	190,882,531
	307,813,078	-	307,813,078	292,978,225	-	292,978,225
Supporting services						
Management and general	51,993,670	-	51,993,670	60,400,583	-	60,400,583
Development	3,035,092	-	3,035,092	4,631,342	-	4,631,342
	55,028,762	-	55,028,762	65,031,925	-	65,031,925
Total operating expenses	362,841,840	-	362,841,840	358,010,150	-	358,010,150
Change in net assets from operations	2,635,983	46,477,997	49,113,980	4,051,199	(422,315)	3,628,884
Nonoperating Activities						
Foreign exchange transaction (losses) gains	(843,554)	-	(843,554)	1,110,528	-	1,110,528
CHANGE IN NET ASSETS	1,792,429	46,477,997	48,270,426	5,161,727	(422,315)	4,739,412
Net assets at beginning of period	39,301,999	8,981,993	48,283,992	34,140,272	9,404,308	43,544,580
Net assets at end of period	\$ 41,094,428	\$ 55,459,990	\$ 96,554,418	\$ 39,301,999	\$ 8,981,993	\$ 48,283,992

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

The FEDCAP Group
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
 For the year ended September 30, 2023

	Program Services			Supporting Services			Total Expenses
	Contract Services and Products	Rehabilitation and Vocational Programs	Total	Management and General	Development	Total	
Salaries and related expenses	\$ 81,120,996	\$ 96,428,600	\$ 177,547,596	\$ 14,663,616	\$ 1,222,119	\$ 15,885,735	\$ 193,433,331
Professional fees	338,249	37,401,955	37,740,204	4,077,379	920,235	4,997,614	42,737,818
Professional development and evaluation	12,693	2,575,302	2,587,995	918,358	120	918,478	3,506,473
Materials and supplies	4,442,057	5,281,230	9,723,287	-	8,642	8,642	9,731,929
Commissions	2,797,847	9,451	2,807,298	-	-	-	2,807,298
Telephone	117,759	844,106	961,865	684,816	3,697	688,513	1,650,378
Postage and shipping	138,718	41,594	180,310	283,570	11,060	294,630	474,840
Insurance	1,695,570	1,491,054	3,186,624	1,422,314	29,980	1,452,294	4,638,918
Occupancy costs	1,551,787	23,694,514	25,246,301	6,976,357	85,202	7,071,559	32,317,860
Equipment rental and maintenance	974,306	380,858	1,355,164	96,521	44,827	141,348	1,496,512
Equipment purchases	239,225	186,472	425,697	17,643	626	18,269	443,966
Client transportation and travel	515,604	2,593,122	3,108,726	1,133,413	182,859	1,316,272	4,424,998
Subscription and printing	113,325	364,007	477,332	1,135,598	24,978	1,160,576	1,637,908
Technology	236,438	2,072,990	2,309,428	5,594,378	41,245	5,635,623	7,945,051
Interest expense	31,473	48,232	79,705	4,965,331	-	4,965,331	5,045,036
Bank charges and processing fees	77,100	488,004	565,104	694,239	37,612	731,851	1,296,955
Bad debt provision	-	1,281,700	1,281,700	-	-	-	1,281,700
Subcontractor expense	12,172,307	16,821,605	28,993,912	2,861,514	329	2,861,843	31,855,755
Stipends	46,637	4,667,406	4,714,043	479,235	31,851	511,086	5,225,129
Security guard expense	21,195	288,664	309,859	21,440	516	21,956	331,815
Other	49,283	2,315,506	2,364,789	1,435,855	367,072	1,802,927	4,167,718
Total expenses before depreciation and amortization	106,692,567	199,274,372	305,966,939	47,461,577	3,022,970	50,484,547	356,451,486
Depreciation and amortization	183,246	1,662,893	1,846,139	4,532,093	12,122	4,544,215	6,390,354
Total expenses	\$ 106,875,813	\$ 200,937,265	\$ 307,813,078	\$ 51,993,670	\$ 3,035,092	\$ 55,028,762	\$ 362,841,840

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

The FEDCAP Group
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
 For the year ended September 30, 2022

	Program Services			Supporting Services			Total Expenses
	Contract Services and Products	Rehabilitation and Vocational Programs	Total	Management and General	Development	Total	
Salaries and related expenses	\$ 76,509,229	\$ 95,122,196	\$ 171,631,425	\$ 18,180,981	\$ 2,940,833	\$ 21,121,814	\$ 192,753,239
Professional fees	223,699	28,844,344	29,068,043	6,722,419	657,885	7,380,304	36,448,347
Professional development and evaluation	10,942	1,036,603	1,047,545	1,349,267	1,552	1,350,819	2,398,364
Materials and supplies	3,373,321	3,816,965	7,190,286	1,175,784	11,086	1,186,870	8,377,156
Commissions	2,791,910	11,328	2,803,238	48,149	-	48,149	2,851,387
Telephone	164,753	1,043,759	1,208,512	1,215,075	4,723	1,219,798	2,428,310
Postage and shipping	144,814	136,560	281,374	188,409	5,385	193,794	475,168
Insurance	1,621,293	1,483,263	3,104,556	5,573,972	44,463	5,618,435	8,722,991
Occupancy costs	1,481,728	14,884,468	16,366,196	5,451,989	137,566	5,589,555	21,955,751
Equipment rental and maintenance	959,072	474,310	1,433,382	272,156	37,441	309,597	1,742,979
Equipment purchases	302,142	116,338	418,480	201,200	23	201,223	619,703
Client transportation and travel	402,105	1,473,493	1,875,598	579,821	57,345	637,166	2,512,764
Subscription and printing	19,585	103,308	122,873	1,171,618	71,094	1,242,712	1,365,585
Technology	293,901	2,116,872	2,410,773	4,686,157	27,408	4,713,565	7,124,338
Interest expense	2,959	36,336	39,295	3,886,229	-	3,886,229	3,925,524
Bank charges and processing fees	92,732	164,669	257,401	987,729	55,616	1,043,345	1,300,746
Bad debt provision	-	2,598,778	2,598,778	-	-	-	2,598,778
Subcontractor expense	13,445,481	25,948,302	39,393,783	2,192,097	(977)	2,191,120	41,584,903
Stipends	147,646	6,580,876	6,728,522	476,327	994	477,321	7,205,843
Security guard expense	11,600	262,857	274,457	14,530	614	15,144	289,601
Other	-	4,021,874	4,021,874	-	569,780	569,780	4,591,654
Total expenses before depreciation and amortization	101,998,892	190,277,499	292,276,391	54,373,909	4,622,831	58,996,740	351,273,131
Depreciation and amortization	96,802	605,032	701,834	6,026,674	8,511	6,035,185	6,737,019
Total expenses	\$ 102,095,694	\$ 190,882,531	\$ 292,978,225	\$ 60,400,583	\$ 4,631,342	\$ 65,031,925	\$ 358,010,150

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

The FEDCAP Group
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended September 30,

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 48,270,426	\$ 4,739,412
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	6,282,685	6,230,114
Amortization of goodwill	107,669	506,905
Bad debt provision	1,281,700	2,598,778
Realized and unrealized losses (gains) on investments	(1,275,783)	3,545,138
Contributed space	(45,745,488)	-
Lease amortization	4,877,060	-
Paycheck Protection Plan loan forgiveness	-	(10,718,192)
Changes in assets and liabilities:		
Accounts receivable	(12,392,744)	6,409,739
Contribution receivable	(1,639,753)	788,896
Inventories	91,517	48,935
Prepaid expenses and other assets	1,068,666	(2,974,588)
Beneficial interest in remainder trust	(337,681)	174,664
Accounts payable and accrued liabilities	(3,049,361)	8,908,322
Deferred revenue	(2,254,580)	1,068,568
Other liabilities	(1,628,739)	2,549,122
Net cash (used in) provided by operating activities	<u>(6,344,406)</u>	<u>23,875,813</u>
Cash flows from investing activities:		
Purchase of investments	(343,369)	(641,436)
Capital expenditures	(24,830,402)	(6,653,430)
Net cash used in investing activities	<u>(25,173,771)</u>	<u>(7,294,866)</u>
Cash flows from financing activities:		
Decrease in advances from government agencies	(524,070)	(185,150)
Change in revolving loans	3,418,879	(2,279,474)
Proceeds from Paycheck Protection Plan notes payable	-	537,005
Repayment of Paycheck Protection Plan notes payable	-	(103,754)
Repayment of notes payable	(1,017,480)	(1,056,495)
Repayment of finance lease obligations	(1,049,268)	(597,695)
Net cash provided by (used in) financing activities	<u>828,061</u>	<u>(3,685,563)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(30,690,116)</u>	<u>12,895,384</u>
Cash and cash equivalents:		
Beginning of year	55,878,023	42,982,639
End of year	<u>\$ 25,187,907</u>	<u>\$ 55,878,023</u>
Supplemental disclosure of cash flow information:		
Acquisition of property, plant and equipment through finance leases	<u>\$ 1,193,084</u>	<u>\$ 43,909,705</u>
Cash interest paid during the period	<u>\$ 5,045,036</u>	<u>\$ 2,443,534</u>
Supplemental disclosures of noncash financing activities:		
Operating lease right-of-use assets obtained in exchange for lease liabilities	<u>\$ 52,158,869</u>	<u>\$ -</u>
Finance lease right-of-use assets obtained in exchange for lease liabilities	<u>\$ 578,592</u>	<u>\$ -</u>

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

The FEDCAP Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2023 and 2022

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

The FEDCAP Group, Inc. (the "Parent"), established on October 1, 2018, is a private, nonprofit organization incorporated under the laws of the State of Delaware. The Parent is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). The Parent or its subsidiaries are the sole member of the following affiliates: Fedcap, Inc ("Fed Inc."), Fedcap Rehabilitation Services, Inc ("FRS"), Fedcap Investment Corporation ("Fed Inv"), Fedcap VR Technologies LLC ("Fed VR"), Wildcat Services Corporation ("Wildcat"), ReServe Elder Services, Inc. ("ReServe"), Community Workshops, Inc. ("CWS"), Easter Seals New York, Inc. ("ESNY"), Granite Pathways, Inc ("GP"), Easter Seals Rhode Island, Inc ("ESRI"), Seacoast Pathways, Inc. ("Seacoast"), Single Stop USA Inc. ("SGST"), Benevolent, MVLE, Easter Seals Central Texas ("ESCT"), Easter Seals North Texas ("ESNT"), Easter Seals Mississippi, Inc. ("ESMS"), Easter Seals South Dakota, Inc. ("ESSD"), Easter Seals Oklahoma, Inc. ("ESOK"), Fedcap Apex Technical School Inc, Civic Hall Labs, Inc, New York Tech Alliance ("NYTA"), Fedcap Canada, These Our Treasures, Inc. ("TOTS"), Fedcap UK, Kennedy Scott, Limited ("KS"), Fedcap Employment Limited ("FED"), Fedcap Employment Scotland Limited ("FES"), and Start Scotland Limited ("SS"). The Parent and its subsidiaries are collectively referred to as "FEDCAP."

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

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

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

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

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

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

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

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

The FEDCAP Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

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

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

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

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

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

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

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

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

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

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

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

Fedcap UK acquired KS, a United Kingdom company. KS provides high quality job support, placement, retention and related services to people in the United Kingdom.

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

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

FES is the majority shareholder and the Lennox Partnership is the minority shareholder with 49% interest in of SS. SS is a value-driven organization that strives to put its customers first, understanding their needs

The FEDCAP Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

and closely engaging with them on a personal level to help them on their journey to employment and training.

Fedcap Apex Acquisition LLC is a nonprofit entity that runs Apex Technical School ("Apex"), which is an adult vocational technical school and offers seven certificate courses designed to focus on basic trade skills and labor skills for its students. The operations of Fedcap Apex Acquisition LLC were transitioned into a newly created not for profit organization - Fedcap Apex Technical School, Inc. - during fiscal year 2023.

Fedcap Canada was established as a not-for-profit organization according to the Canada Not-for-Profit Corporations Act. Fedcap Canada was founded to advance the economic and social well-being of the impoverished and disadvantaged by providing educational services, vocational rehabilitation, job training and job placement services.

Civic Hall Labs, Inc., is a not-for-profit entity that provides a learning and collaboration platform focused on advanced technology and problem-solving for the public good.

Civic Hall Labs, Inc. is the sole member of NYTA, an organization that supports the technology community and ecosystems in their hometown, with the goal of creating the most diverse, equitable and accessible tech ecosystems in the world.

ESMS, a Mississippi non-profit corporation, is an organization providing services to children and adults with disabilities or other special needs and their families:

ESSD, a South Dakota non-profit corporation, is an organization to help children and adults with disabilities or other special needs and their families and caregivers reach their maximum capabilities and secure opportunities for their education, training, and employment.

ESOK, an Oklahoma non-profit corporation, is an organization to provide services to ensure that all people with disabilities or special needs and their families have equal opportunities to live, learn, work, and play in their communities.

Fed Inv, a Delaware non-profit corporation, is a community development financial institution founded to serve economically distressed communities by providing credit, capital, and financial services that are often unavailable from mainstream financial institutions.

Fed VR, a joint venture between Fedcap, Inc. (as the majority shareholder) and UP360 US Holdings Corporation (minority shareholder with 49% interest), and provides virtual reality software, know-how and product development services for workforce training, development, and education.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Basis of Presentation

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

The FEDCAP Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

FEDCAP classifies its net assets in the following categories:

Net Assets without Donor Restrictions

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

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

Net Assets with Donor Restrictions

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

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

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

Changes in net assets without donor restrictions and the non-controlling interests in SS and Fed VR during the years ended September 30, 2023 and 2022 is summarized below:

	<u>Total Without Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Non-controlling Interest</u>
Balance, September 30, 2021	\$ 34,140,272	\$ 33,166,395	\$ 973,877
Change in net assets from operations	4,051,199	2,618,338	1,432,861
Change in net assets from nonoperating activities	1,110,528	1,110,528	-
Balance, September 30, 2022	39,301,999	36,895,261	2,406,738
Reclassification	-	1,902,661	(1,902,661)
Change in net assets from operations	2,635,983	2,490,547	145,436
Change in net assets from nonoperating activities	(843,554)	(843,554)	-
Balance, September 30, 2023	<u>\$ 41,094,428</u>	<u>\$ 40,444,915</u>	<u>\$ 649,513</u>

The FEDCAP Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

Measure of Operations

The accompanying consolidated statements of activities report changes in net assets by operating and non-operating activities. Operating activities principally include all revenues and expenses that relate to FEDCAP's programs and supporting activities.

Non-operating activities include foreign currency exchange gains and losses and other items considered to be incidental to operations or non-recurring in nature.

Cash Equivalents and Restricted Cash

FEDCAP considers all highly liquid debt instruments with a maturity of three months or less at the date of purchase, including investments in short-term certificates of deposit and certain money market funds, to be cash equivalents. Cash and cash equivalents on the accompanying consolidated statements of financial position includes cash that is restricted under borrowing or other contractual arrangements amounting to \$3,824,255 and \$2,500,000 as of September 30, 2023 and 2022, respectively.

Revenue Recognition

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

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

Payments received in advance of FEDCAP satisfying its performance obligations are recorded within deferred revenue in the accompanying consolidated statements of financial position and totaled \$10,271,850 and \$12,501,051, as of September 30, 2023 and 2022, respectively. The changes in deferred revenue were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

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

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

Contract Services and Products

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

The FEDCAP Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

Rehabilitation and Vocational Programs

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

Contribution and Grant Revenue

FEDCAP records contributions of cash and other assets when an unconditional promise to give such assets is received from a donor. Contributions are recorded at the fair value of the assets received and contributions with donor stipulations that limit the use of donated assets are classified as net assets with donor restrictions. Contributions with donor restrictions that are received and met in the same fiscal year are recorded as contribution revenues without donor restrictions. Otherwise, once stipulated time restrictions end or purpose restrictions are accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions as "net assets released from restrictions" in the consolidated statements of activities. Conditional contributions are recognized as revenue when the conditions on which they depend are substantially met. Conditional contributions received in advance of meeting the associated contributions are recorded within deferred revenue on the accompanying consolidated statements of financial position and totaled \$374,621 and \$400,000, as of September 30, 2023 and 2022, respectively. There were no outstanding conditional contributions yet to be received as of September 30, 2023 or 2022.

FEDCAP recognizes revenue from contributions, grants and contracts in accordance with guidance whereby FEDCAP evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, FEDCAP applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, FEDCAP evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before FEDCAP is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributed goods and services are recognized (revenues and expenses, or assets, if capitalizable) at their estimated fair value at the date of receipt and are reflected as in-kind contributions on the accompanying consolidated statements of activities.

Receivables and Allowance for Doubtful Accounts

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

The FEDCAP Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

Inventories

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

Fixed Assets

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

Functional Allocation of Expenses

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

Commissions

FEDCAP pays commissions to an unrelated not-for-profit entity and a New York State entity to provide information on government contracts that need competitive bids for services. The contracts provide for commissions to be paid to these organizations in the range of 0.87% to 3.9% of the contract amount. Commissions paid relating to these contracts amounted to \$2,807,298 and \$2,850,048 for the years ended September 30, 2023 and 2022, respectively, and are included within contract services and products expense in the accompanying consolidated statements of activities.

Use of Estimates

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

Fair Value Measurements

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

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

The FEDCAP Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

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

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

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

Beneficial Interest in Trusts

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

At September 30, 2023 and 2022, FEDCAP's beneficial interest in trusts are reflected at fair value in the accompanying consolidated statements of financial position and are classified as Level 3 within the fair value hierarchy.

	2023	2022
Balance, beginning of year	\$ 4,398,082	\$ 5,435,630
Distributions	(139,016)	(131,208)
Appreciation/(depreciation)	476,697	(906,340)
Balance, end of year	\$ 4,735,763	\$ 4,398,082

The FEDCAP Group**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED****September 30, 2023 and 2022*****Impairment of Long-lived Assets***

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

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

Tax-Exempt Status

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

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

While FEDCAP does not pay income tax within the United States, it does accrue Value-Added-Tax ("VAT") for liabilities its United Kingdom subsidiaries incur on goods and services purchased overseas. The amount of VAT liability accrued within the accompanying consolidated financial statements for the years ended September 30, 2023 and 2022, is \$1,346,514 and \$2,503,334, respectively, and is reported within accounts payable and accrued liabilities on the accompanying consolidated statements of financial position.

Goodwill

Goodwill was established through the acquisition of Apex in 2020 and KS in 2019. The value reported on the consolidated statements of financial position represents the residual difference between the consideration paid and the fair value of the net assets acquired. FEDCAP has elected under relevant guidance to amortize goodwill on a straight-line basis over 10 years and to perform a goodwill impairment analysis at the entity or reporting unit level when a triggering event occurs that indicates the fair value of the entity or reporting unit may be below its carrying amount. Impairment charges totaling \$107,669 were recognized during the year ended September 30, 2023. There were no impairment charges recognized during the year ended September 30, 2022.

Adopted Accounting Pronouncement (Change in Accounting Principle)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This ASU requires lessees to recognize a lease liability and a right-of-use ("ROU") asset on a discounted basis, for substantially all leases, as well as additional disclosures regarding leasing arrangements. Disclosures are required to enable users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*,

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

which provided an optional transition method for applying the new lease standard. Topic 842 can be applied using either a modified retrospective approach at the beginning of the earliest period presented or, as permitted by ASU 2018-11, at the beginning of the period in which it is adopted, (i.e., the comparatives under Accounting Standards Codification ("ASC") 840 option).

FEDCAP adopted Topic 842 on October 1, 2022 (the effective date), using the comparatives approach under ASC 840 transition method, which applies Topic 842 at the beginning of the period in which it is adopted. Prior period amounts have not been adjusted in connection with the adoption of this standard. FEDCAP similarly elected the package of practical expedients under the new standard, which permits entities to not reassess lease classification, lease identification or initial direct costs for existing or expired leases prior to the effective date. FEDCAP has lease agreements with non-lease components that relate to the lease components.

FEDCAP determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. FEDCAP determines these assets are leased because FEDCAP has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because FEDCAP determines it does not have the right to control and direct the use of the identified asset. FEDCAP's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating its contracts, FEDCAP separately identifies lease and non-lease components, such as common area and other maintenance costs, in calculating the ROU assets and lease liabilities for its office space. FEDCAP has elected the practical expedient to not separate lease and non-lease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the non-lease component.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. FEDCAP determines lease classification as operating or finance (previously capital leases) at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. FEDCAP has made a policy election to use a risk-free rate per U.S. Treasury instrument for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The portion of payments on operating lease liabilities related to interest, along with the amortization of the related ROU, is recognized as occupancy expense. This occupancy expense is recognized on a straight-line basis over the term of the lease. The portion of payments on finance lease liabilities related to interest and the amortization of the ROU assets under finance leases are reflected within occupancy expense on the accompanying statement of functional expenses.

The lease term may include options to extend or to terminate the lease that FEDCAP is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

FEDCAP has elected not to record leases with an initial term of 12 months or less on its statement of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

Operating lease ROU assets and operating and finance lease liabilities are presented separately while finance lease ROU assets are presented within property, plant and equipment, net on the accompanying consolidated statements of financial position.

The most significant impact of adoption was the recognition of operating lease ROU assets and operating lease liabilities of \$39,523,718 and \$42,620,262, respectively. As part of adopting the standard, previously recognized liabilities for deferred rent related to operating leases were reclassified as a component of ROU assets. The standard did not significantly affect FEDCAP's changes in net assets or cash flows.

Reclassifications

Certain reclassifications were made to the fiscal 2022 consolidated financial statements in order to conform to the fiscal 2023 presentation. Such reclassifications did not result in a change to total net assets, revenues, expenses or changes in net assets as previously reported in the fiscal 2022 consolidated financial statements.

NOTE 3 - CONTRIBUTIONS AND GRANTS RECEIVABLE

At September 30, 2023 and 2022, contributions and grants receivable consisted of receivables amounting to \$2,819,540 and \$1,179,787, respectively, net of an allowance for doubtful accounts of \$250,000 for each year.

Approximately 46% and 24% of the contributions and grants receivable (gross) was due from one donor at September 30, 2023 and 2022, respectively.

NOTE 4 - CONTRIBUTED SPACE RECEIVABLE

In fiscal 2023, upon commencement of the lease, a contributed space receivable and in-kind contribution with donor restrictions was recognized totaling \$48,617,672 related to the below market rate lease for Civic Hall's 85,000-square-foot learning and training center at 14th Street, Union Square, New York City. This amount represents the present value of the difference between the fair market rate and the contracted payments due under the lease over the lease term. The fair market rate was determined based upon the lease rates for comparable space at the time of the lease commencement. The lease has a 25-year term and the contributed space receivable will be amortized over that period. During the year ended September 30, 2023, \$2,872,184 of the contributed space receivable was amortized and reflected within occupancy costs on the accompanying consolidated statement of functional expenses.

NOTE 5 - INVESTMENTS

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

	2023	2022
Money market funds	\$ 1,061,835	\$ 561,734
Mutual funds	9,564,255	8,445,204
	<u>\$ 10,626,090</u>	<u>\$ 9,006,938</u>

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 6 - INVENTORIES, NET

Inventories consisted of the following at September 30:

	<u>2023</u>	<u>2022</u>
Inventories		
Raw materials	\$ 106,392	\$ 136,294
Work-in-process and finished goods	307,418	369,033
Reserve	(90,000)	(90,000)
	<u>\$ 323,810</u>	<u>\$ 415,327</u>

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT, NET

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

	<u>2023</u>	<u>2022</u>
Land	\$ 1,617,809	\$ 1,617,809
Building improvements	4,896,701	4,599,099
Buildings	39,742,759	39,742,759
Finance leases - buildings	79,828,252	79,828,252
Furniture, fixtures and computer systems	31,241,392	26,960,289
Leasehold improvements	34,337,156	12,773,557
	<u>191,664,069</u>	<u>165,521,765</u>
Less: accumulated depreciation	<u>(46,986,327)</u>	<u>(39,391,740)</u>
	<u>\$ 144,677,742</u>	<u>\$ 126,130,025</u>

Depreciation and amortization expense for the years ended September 30, 2023 and 2022 was \$6,282,685 and \$6,230,114, respectively.

NOTE 8 - REVOLVING LOANS

Investors Bank

On October 27, 2020, FEDCAP entered into an agreement with Investors Bank for (1) a revolving line of credit agreement with a borrowing limit of \$42,500,000, with a maturity date of October 27, 2022 and interest payable quarterly at a rate of prime plus 0.75% but no less than 4.00%. The maturity date was subsequently extended to January 27, 2023. As of September 30, 2022, FEDCAP had borrowings on this line of credit of \$25,893,587 at an interest rate of 3.06%. On January 27, 2023, the line was refinanced with Provident Bank.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

Provident Bank

On January 27, 2023, FEDCAP entered into an agreement with Provident Bank to refinance certain of its previous debt arrangements as well as to provide for additional liquidity for operations. In connection with the refinancing, FEDCAP entered into (1) a revolving line of credit agreement (Facility A) with a borrowing limit of \$42,500,000, with a maturity date of March 25, 2025 and interest payable quarterly at a rate of one month CME Term Secured Overnight Financing Rate ("SOFR") plus 2.90% but no less than 5.00%; and (2) an additional \$7,500,000 credit line (Facility B) interest payable quarterly at a rate of one month CME Term SOFR plus 2.90% but no less than 5.00%. The revolving line of credit agreement requires that FEDCAP maintain minimum unrestricted liquid assets of \$15,000,000. The proceeds from the revolving line of credit were used to repay the existing revolving credit line held by Investors Bank, mentioned above. As of September 30, 2023, FEDCAP had borrowings on Facility A of \$29,345,101 at an interest rate of 8.22%. There were no outstanding borrowings under Facility B as of September 30, 2023. The balance reported on the accompanying consolidated statement of financial position as of September 30, 2023 is net of unamortized debt issuance costs of \$32,635.

NOTE 9 - LONG-TERM DEBT

Notes Payable

On October 21, 2004, TOTS entered into a \$700,000 mortgage note payable to finance the acquisition of the building located in Bronx, New York. The note was secured by the property and all of the assets of TOTS. The interest rate is 5.0% and principal and interest of \$4,960 is payable monthly through the maturity date of November 1, 2024. At September 30, 2023 and 2022, the outstanding principal balance was \$67,284 and \$121,884, respectively.

FEDCAP entered into an agreement with Investors Bank for two term loans in the amounts of \$6,000,000 and \$6,600,000, with a maturity date of November 1, 2045 and November 1, 2030, respectively, along with monthly payments of principal and interest at a rate of 4.00%. At September 30, 2023 and 2022, the outstanding principal balance of the term loans was \$11,137,729 and \$11,659,271, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

Bonds Payable

In December 2013, FRS entered into a Loan Agreement with Build NYC Resource Corporation ("Build NYC"), a local development corporation, for Build NYC to issue bonds to finance the purchase of the sixth floor of a building located at 633 Third Avenue in New York City and related expenses. Build NYC issued \$18,450,000 of tax-exempt revenue bonds ("Series 2013A"). Monthly payments of interest commenced in June 2014. The Series 2013A bonds have a coupon rate of 4.2% with a maturity date of December 1, 2033. The Series A bonds were placed with Israel Discount Bank ("IDB") and, as part of the bond purchase and continuing covenant agreement between FRS and IDB, FRS must maintain a minimum balance with IDB of \$4,000,000, which is included within investments in the accompanying consolidated statements of financial position at September 30, 2023 and 2022. At September 30, 2023 and 2022, the outstanding principal balance of the Series 2013A bonds was \$14,235,000 and \$14,840,000, respectively. The following is a summary of minimum principal payments due on the notes and bonds at September 30, 2023:

<u>Year Ending September 30,</u>	<u>Notes Payable</u>	<u>Bonds Payable</u>	<u>Total</u>
2024	\$ 584,654	\$ 630,000	\$ 1,214,654
2025	544,230	655,000	1,199,230
2026	541,215	685,000	1,226,215
2027	548,331	715,000	1,263,331
2028	555,193	745,000	1,300,193
Thereafter	8,431,390	10,805,000	19,236,390
	<u>\$ 11,205,013</u>	<u>\$ 14,235,000</u>	<u>25,440,013</u>
			Less: current portion (1,214,654)
			Less: bond issuance cost (544,727)
			<u>\$ 23,680,632</u>
			Long-term debt, net of current portion

NOTE 10 - ADVANCES FROM GOVERNMENT AGENCY

During fiscal 2023 and 2022, FEDCAP received contract advances from various New York City government agencies. The refundable balance related to these advances as of September 30, 2023 and 2022 is \$40,206 and \$564,276, respectively. These advances are non-interest bearing and will be offset by future receivables within these programs.

NOTE 11 - FORGIVABLE CAPITAL ADVANCES

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
September 30, 2023 and 2022

The following table summarizes the forgivable capital advances as of September 30, 2023:

	<u>Amount of Original Advance</u>
Housing I	
U.S. Department of HUD, interest rate of 5.375%, due unless forgiven on October 11, 2045, secured by six rental housing units. At September 30, 2023 and 2022, \$228,010 and \$238,335, respectively, was included in net assets with donor restrictions related to the Note.	\$ 413,000
Housing II	
U.S. Department of HUD, interest rate of 5.250%, due unless forgiven on April 1, 2048, secured by 10 rental housing units. At September 30, 2023 and 2022, \$438,567 and \$456,407, respectively, was included in net assets with donor restrictions related to the Note.	713,600
City of Austin passed through AHFC, interest rate of 0%, due unless forgiven on May 1, 2049, secured by 10 rental housing units, subordinate to the \$713,600 loan. At September 30, 2023 and 2022, \$319,792 and \$332,292, respectively, was included in net assets with donor restrictions related to the Note.	500,000
Housing III	
U.S. Department of HUD, interest rate of 4.125%, due unless forgiven on December 1, 2050, secured by eight rental housing units. At September 30, 2023 and 2022, \$502,517 and \$521,013, respectively, was included in net assets with donor restrictions related to the Note.	739,900
City of Austin passed through AHFC, interest rate of 0%, due unless forgiven on November 30, 2050, secured by eight rental housing units, subordinate to the \$739,900 loan. At September 30, 2023 and 2022, \$336,010 and \$348,379, respectively, was included in net assets with donor restrictions related to the Note.	494,740
Housing IV	
U.S. Department of HUD, interest rate of 4.125%, due unless forgiven on February 15, 2053, secured by 10 rental housing units. At September 30, 2023 and 2022, \$790,191 and \$813,950, respectively, was included in net assets with donor restrictions related to the Note.	1,070,400
City of Austin passed through AHFC, interest rate of 0%, due unless forgiven on February 28, 2053, secured by 10 rental housing units, subordinate to the \$1,070,400 loan. At September 30, 2023 and 2022, \$456,561 and \$475,183, respectively, was included in net assets with donor restrictions related to the Note.	<u>624,898</u>
Total	\$ 4,556,538

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 12 - LEASES

FEDCAP has entered into operating and finance lease commitments for space, office equipment and vehicles at various locations for its programs and administrative activities, which expire on various dates through July 2067.

The lease cost and other required information relevant to the lease commitments for the year ended September 30, 2023 are:

Lease cost	
Operating lease cost	\$ 15,299,969
Finance lease cost	
Amortization of right-of-use assets	297,686
Interest on lease liabilities	3,586,628
Sublease income	<u>(1,465,264)</u>
Total lease cost	<u>\$ 17,719,019</u>
Operating cash flows from operating leases	\$ 15,299,969
Operating cash flows from finance leases	2,881,967
Financing cash flows from finance leases	1,049,268
Right-of-use assets, obtained in exchange for new operating lease liabilities	\$ 52,158,869
Right-of-use assets, obtained in exchange for new finance lease liabilities	578,592
Weighted-average remaining lease term:	
Operating leases	18.57 years
Finance leases	25.56 years
Weighted-average discount rate:	
Operating leases	3.45%
Finance leases	5.70%

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

Future minimum payments under FEDCAP's leases are due as follows:

	Operating Leases	Finance Leases
2024	\$ 11,321,897	\$ 4,795,398
2025	8,875,761	5,026,816
2026	7,181,551	5,066,961
2027	5,656,326	5,015,962
2028	6,821,861	4,934,652
Thereafter	<u>90,537,854</u>	<u>111,810,670</u>
Total future undiscounted lease payments	130,395,250	136,650,459
Less: interest	<u>(38,300,532)</u>	<u>(56,891,323)</u>
Lease liabilities	<u>\$ 92,094,718</u>	<u>\$ 79,759,136</u>

Disclosures Related to Periods Prior to Adoption of ASC 842

Total rent expense for the year ended September 30, 2022 was \$15,289,496. Rent expense related to lease agreements was recognized on a straight-line basis over the lease term.

Future minimum lease commitments under non-cancellable operating leases as of September 30, 2022 were as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2023	\$ 14,593,814
2024	13,093,972
2025	12,245,259
2026	10,557,672
2027	8,763,622
Thereafter	<u>92,407,054</u>
Total	<u>\$ 151,661,393</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

Future minimum lease commitments under non-cancellable finance leases as of September 30, 2022 were as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2023	\$ 3,707,389
2024	4,471,864
2025	4,465,407
2026	4,803,639
2027	4,803,639
Thereafter	<u>116,983,515</u>
Total minimum lease payments	139,235,453
Less: amount representing interest	<u>(60,179,753)</u>
Present value of net minimum lease payments	<u>\$ 79,055,700</u>

NOTE 13 - CONTINGENCIES

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 14 - TUITION REVENUE

FEDCAP receives funding for Fedcap Apex Technical School Inc (d/b/a Apex Technical School) and for the Career Design School from the New York State Education Department, administered by the Bureau of Proprietary School Supervision. Gross tuition income has been included within rehabilitation and vocational programs in the accompanying consolidated statements of activities for the years ended September 30, 2023 and 2022 as follows:

	2023	
	Fedcap Apex Technical School Inc d/b/a Apex Technical School	Career Design School
Tuition	\$ 20,636,905	\$ 100,478
Less: book and tool sales	(664,857)	-
Less: application and insurance fees	(136,301)	-
Subtotal	19,835,747	\$100,478
Add: student Refunds and Returns to Federal Family Education Loan Programs included above	543,070	-
Gross tuition for tuition assessment calculations	<u>\$ 20,378,817</u>	<u>\$ 100,478</u>
	2022	
	Fedcap Apex Technical School Inc d/b/a Apex Technical School	Career Design School
Tuition	\$ 19,824,972	\$ 287,248
Less: book and tool sales	(566,428)	-
Less: application and insurance fees	(119,444)	-
Subtotal	19,139,100	287,248
Add: student Refunds and Returns to Federal Family Education. Loan Programs included above	505,802	-
Gross tuition for tuition assessment calculations	<u>\$ 19,644,902</u>	<u>\$ 287,248</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 15 - NET ASSETS

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

	<u>2023</u>	<u>2022</u>
For use in future periods for		
Employment and job search programs	\$ 236,488	\$ 260,388
ESCT HUD capital advances	3,071,648	3,185,559
Time restricted - beneficial interest in remainder trust	2,577,709	2,395,008
Time restricted - general	<u>47,416,091</u>	<u>1,137,964</u>
	53,301,936	6,978,919
 Beneficial interest in perpetual trusts and endowment funds subject to appropriation and satisfaction of donor restrictions	 <u>2,158,054</u>	 <u>2,003,074</u>
	 <u>\$ 55,459,990</u>	 <u>\$ 8,981,993</u>

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

	<u>2023</u>	<u>2022</u>
Easter Seals - beneficial interest in perpetual trusts	\$ 1,993,803	\$ 1,842,325
ReServe endowment	85,471	82,306
CWS endowment	<u>78,780</u>	<u>78,443</u>
	<u>\$ 2,158,054</u>	<u>\$ 2,003,074</u>

Net assets released from restrictions during the years ended September 30, 2023 and 2022 amounted to \$3,249,208 and \$669,536, respectively.

Net assets released from restrictions are comprised of the following as of September 30:

	<u>2023</u>	<u>2022</u>
Time Restricted - general	\$ 3,084,970	\$ -
ESCT HUD Capital Advances	113,913	113,913
Employment and job search programs	<u>50,325</u>	<u>555,623</u>
	<u>\$ 3,249,208</u>	<u>\$ 669,536</u>

NOTE 16 - RELATED-PARTY TRANSACTIONS

A CWS Board member is a trustee of the Eaton Fund. CWS leases its facilities from the Eaton Fund. The rent paid to Eaton Fund for each of the years ended September 30, 2023 and 2022 was \$130,000 and \$97,500, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

NOTE 17 - EMPLOYEE BENEFIT PLANS

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

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

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

Plan contributions are invested in one or more of the funding vehicles available to participants under the plans. Each participant is fully and immediately vested in employee contributions. Employer contributions to the plans amounted to \$13,520,332 and \$12,381,925 for the years ended September 30, 2023 and 2022, respectively.

NOTE 18 - CONCENTRATIONS

FEDCAP provides building services for federal buildings, which comprised 18% of total revenues during the years ended September 30, 2023 and 2022. FEDCAP provides offsite data entry personnel, custodial and other services to various branches of the state and city government through one New York State organization, which comprised 5% of total revenues during the years ended September 30, 2023 and 2022.

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

NOTE 19 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

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

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

As of September 30, 2023 and 2022, the following tables show the total financial assets held by FEDCAP and the amounts of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2023 and 2022

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

	2023	2022
Cash and cash equivalents	\$ 25,187,907	\$ 55,878,023
Accounts receivable, net	59,466,388	48,355,344
Contributions and grants receivable, net	2,819,540	1,179,787
Investments	10,626,090	9,006,938
Total financial assets available within the next 12 months	98,099,925	114,420,092
Less amounts unavailable for general expenditure due to:		
Donor-imposed restrictions	(4,772,847)	(4,583,655)
Minimum liquidity and collateral requirements under borrowing and other arrangements	(18,900,000)	(17,500,000)
Total financial assets available to meet general expenditures over the next 12 months	\$ 74,427,078	\$ 92,336,437

NOTE 20 - SUBSEQUENT EVENTS

FEDCAP evaluated its September 30, 2023 consolidated financial statements for subsequent events through February 15, 2024, the date the consolidated financial statements were available for issuance. FEDCAP is unaware of any events which would require recognition or disclosure in the accompanying consolidated financial statements other than what is described in this note.

On October 24, 2023, FEDCAP entered into an agreement with Provident Bank for a non-revolving construction line of credit in the amount of \$10,000,000. The line of credit will be used to finance the construction of certain improvements related to the Civic Hall lease. The line of credit has a maturity date of December 31, 2027 and fixed interest rate of 7.14%.

SUPPLEMENTARY INFORMATION

The FIDUCIARY GROUP
 CONSOLIDATED SCHEDULE OF ASSETS AND LIABILITIES
 As of September 30, 2007

ASSETS	Public Subfund		Private Subfund		Public VET		Private VET		Other		Cash		Total		Total		Total		Total																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
Current assets																						Cash and cash equivalents	\$ 465,007	\$ 1,000,000	\$ 400,110	\$ -	\$ 1,800	\$ 302,591	\$ 466,160	\$ 726,372	\$ 726,350	\$ 68,205	\$ 764,200	\$ 477,702	\$ 340	\$ 100,200	\$ 417,000	\$ 768,270	\$ 30,300	\$ 402,700	\$ 604,000	\$ 1,274,255	\$ 20,310	\$ 300,243	Accounts receivable (net of allowance for doubtful accounts of approximately \$1.1M)	\$ 6,900,000	\$ 14,700,000	\$ 12,000,000	\$ -	\$ -	\$ 4,300,000	\$ 980,000	\$ 1,300,000	\$ 2,000,000	\$ 1,300,000	\$ 3,300,000	\$ 2,600,000	\$ -	\$ -	\$ 1,700,000	\$ 2,800,000	\$ 100,000	\$ 1,800,000	\$ 300,000	\$ 3,100,000	\$ 1,100,000	\$ 1,100,000	Investments in real estate	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	Other current assets	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	Total current assets	\$ 11,465,007	\$ 25,800,000	\$ 22,500,110	\$ -	\$ 1,800	\$ 14,702,591	\$ 2,546,160	\$ 3,852,372	\$ 4,726,350	\$ 2,768,205	\$ 5,128,200	\$ 3,177,702	\$ 340	\$ 100,200	\$ 2,117,000	\$ 3,668,270	\$ 130,300	\$ 1,802,700	\$ 2,247,000	\$ 4,374,255	\$ 21,410	\$ 301,243	Non-current assets																						Real estate held for sale	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	Other non-current assets	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	Total non-current assets	\$ 10,100,000	\$ 10,100,000	\$ 10,100,000	\$ -	\$ -	\$ 10,100,000	\$ 10,100,000	\$ 10,100,000	\$ 10,100,000	\$ 10,100,000	\$ 10,100,000	\$ 10,100,000	\$ -	\$ -	\$ 10,100,000	\$ 10,100,000	\$ -	\$ -	\$ 10,100,000	\$ 10,100,000	\$ -	\$ -	Total assets	\$ 21,565,007	\$ 35,900,000	\$ 32,600,110	\$ -	\$ 1,800	\$ 24,802,591	\$ 12,646,160	\$ 13,952,372	\$ 14,826,350	\$ 5,528,205	\$ 15,228,200	\$ 3,177,702	\$ 340	\$ 100,200	\$ 12,217,000	\$ 13,768,270	\$ 130,300	\$ 1,802,700	\$ 12,547,000	\$ 15,174,255	\$ 21,410	\$ 301,243	LIABILITIES AND NET ASSETS																						Current liabilities																						Accounts payable and accrued liabilities	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	Other current liabilities	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	Total current liabilities	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000	\$ -	\$ -	Non-current liabilities																						Other non-current liabilities	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	Total non-current liabilities	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	Total liabilities	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ -	\$ -	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ -	\$ -	\$ 1,200,000	\$ 1,200,000	\$ -	\$ -	\$ 1,200,000	\$ 1,200,000	\$ -	\$ -	Net assets	\$ 20,365,007	\$ 34,700,000	\$ 31,400,110	\$ -	\$ 1,800	\$ 23,602,591	\$ 11,446,160	\$ 12,752,372	\$ 13,626,350	\$ 4,328,205	\$ 14,028,200	\$ 1,977,702	\$ 340	\$ 100,200	\$ 11,017,000	\$ 12,568,270	\$ 130,300	\$ 1,802,700	\$ 11,347,000	\$ 13,974,255	\$ 21,410	\$ 301,243
Cash and cash equivalents	\$ 465,007	\$ 1,000,000	\$ 400,110	\$ -	\$ 1,800	\$ 302,591	\$ 466,160	\$ 726,372	\$ 726,350	\$ 68,205	\$ 764,200	\$ 477,702	\$ 340	\$ 100,200	\$ 417,000	\$ 768,270	\$ 30,300	\$ 402,700	\$ 604,000	\$ 1,274,255	\$ 20,310	\$ 300,243																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
Accounts receivable (net of allowance for doubtful accounts of approximately \$1.1M)	\$ 6,900,000	\$ 14,700,000	\$ 12,000,000	\$ -	\$ -	\$ 4,300,000	\$ 980,000	\$ 1,300,000	\$ 2,000,000	\$ 1,300,000	\$ 3,300,000	\$ 2,600,000	\$ -	\$ -	\$ 1,700,000	\$ 2,800,000	\$ 100,000	\$ 1,800,000	\$ 300,000	\$ 3,100,000	\$ 1,100,000	\$ 1,100,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
Investments in real estate	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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Total current assets	\$ 11,465,007	\$ 25,800,000	\$ 22,500,110	\$ -	\$ 1,800	\$ 14,702,591	\$ 2,546,160	\$ 3,852,372	\$ 4,726,350	\$ 2,768,205	\$ 5,128,200	\$ 3,177,702	\$ 340	\$ 100,200	\$ 2,117,000	\$ 3,668,270	\$ 130,300	\$ 1,802,700	\$ 2,247,000	\$ 4,374,255	\$ 21,410	\$ 301,243																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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Real estate held for sale	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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Total assets	\$ 21,565,007	\$ 35,900,000	\$ 32,600,110	\$ -	\$ 1,800	\$ 24,802,591	\$ 12,646,160	\$ 13,952,372	\$ 14,826,350	\$ 5,528,205	\$ 15,228,200	\$ 3,177,702	\$ 340	\$ 100,200	\$ 12,217,000	\$ 13,768,270	\$ 130,300	\$ 1,802,700	\$ 12,547,000	\$ 15,174,255	\$ 21,410	\$ 301,243																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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Accounts payable and accrued liabilities	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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BOARD OF DIRECTORS

Nick Brattan, Chairman

Board Date 6/13/2018



Profession: President – NE Document Systems Inc.

William Rider

Board Date 2009



Profession: CEO/President-Greater Manchester Mental Health

Lynne Westaway, Treasurer

Board Date 8/1/2007



Profession: CPA/Partner-WIPFLI

James Sweeney PhD

Board Date 10/1/2020



Profession: PhD, Counseling

Peter Burke

Board Date 4/1/21

[REDACTED]

Profession: Community Education Manager @ St. Joseph Hospital

Cassandra Durand

Board Date 3/16/23

[REDACTED]

Profession: Director of ProHealth Integrated Primary Care

Kate Turcotte

Board Date 3/6/24

[REDACTED]

Profession: MSW, Professor and Therapist

Patrick Long

Board date 4/12/2026

[REDACTED]

Attorney

Ann C. Strachan

Education

MA, Counseling – University of New Hampshire, Durham, NH

BA, Social Sciences/Geography – University of Massachusetts, Amherst

Work Experience

Director of Mental Health Services – November 2016 to present

Granite Pathways, Manchester, NH

- Oversee and implement development of International Clubhouse Model for Psychosocial Rehabilitation in the state of New Hampshire
- Promote and advocate for mental health and SUD services in local region and statewide
- Develop fundraising strategies and execute grant writing
- Participated in statewide initiatives for improving mental health continuum of care including DSRIP and NAMI-NH advocacy
 - IDN Community Project participation in IDN Region 4 (Network4Health) Integrated Treatment for Co-Occurring Disorders Workgroup; IDN Region 6 (Strafford and Eastern Rockingham Counties) Social Determinants of Health Workgroup

Executive Director – Seacoast Pathways, Portsmouth, NH October 2014 to present

and Manchester Clubhouse, Manchester (January 2019-March 2020)

- Oversee and manage daily operations and staffing for the clubhouse program ensuring that the evidence-based model is implemented effectively with effective staff and clubhouse member engagement
- Facilitate collaboration and partnerships with mental health services and other community resources
- Community Care Team member, Rockingham County

Student Success Advisor – August 2013 to June 2015

The Landing School, Arundel, Maine

- Developed ADA policy and procedures for students with disabilities
- Accepted and approved medical documentation for students requesting accommodations based on a disability; coordinated accommodation plans
- Counseled and advised students who are at-risk academically or emotionally; made referrals to necessary community resources
- Educated staff and faculty about learning differences in students and how best to meet required accommodations
- Kept up-to-date on best practices for a higher education institution to meet the needs of students with disabilities

Seniors Count Community Liaison – Jan 2011-Feb 2013

Rockingham Community Action/Southern NH Services, Portsmouth, NH

- Developed new community program for assisting at-risk isolated elderly individuals in Portsmouth area
- Coordinated services and local resources for clients to remain safely in their homes

- Assisted individuals with problem-solving and making life decisions based on where they were emotionally and mentally; helped develop goals with individuals and their families
- Utilized ServiceLink data base for recording contacts and outcomes
- Created reports for community advisory board and presented findings at monthly meetings

Adult Education Instructor – 2006, 1997-2000

Exeter Adult Education, Exeter, NH

- Instructed and assisted in designing a grant-funded academic curriculum for college-bound adult education students called College Success Seminar
- Provided life skills, parenting, nutrition education, and encouraged career exploration and personal growth

Academic Support Success Advisor – 2000-2005

McIntosh College, Dover, NH

- Provided services for students with learning disabilities including coordination and evaluation of ADA documentation, developing accommodations, directing students to college resources and follow up
- Created a student learning center with assistive learning technology including Kurzweil, Zoom Text, and Inspiration software, learning resources, peer and professional tutoring program, and academic success workshops
- Advisor to international students and academic support planning
- Implemented and facilitated programs for increasing college success including study skills workshops, individualized academic planning, and to address needs of non-traditional students such as healthcare, childcare, housing and financial issues
- Advised at-risk students by developing academic success plans, assessing needs, referrals to resources, and tracking academic progress on institutional data base
- Liaised with faculty, admissions, financial aid, and residential life as part of a multi-disciplinary approach for improving services to students and meeting student expectations
- Attended professional development workshops and trainings

Master's Level Experience

Counseling Intern – 2007-2008

Community Partners, The Mill, Dover, NH

- Performed evidence-based counseling practices under supervision and reflecting current research
- Performed intake assessments; completed and organized required documentation for eligibility for mental health services and service planning

Counseling Intern – 2007

Center for Academic Resources (CFAR), UNH, Durham, NH

- Performed intake assessments for students seeking academic mentoring services; matched students with mentors and supervised progress
- Provided individual counseling for high-risk students whose emotional concerns impacted academic performance
- Documented all contacts with students through written reports and institutional database

Additional Experience

Seacoast Pathways Clubhouse – Portsmouth, NH 2013-present

- Founding Board of Trustees member; Chairperson 2013-2016

UNH Institute on Disability Leadership Series, 2009-2010

- Advocacy training and community organizing for people living with disabilities

National Alliance for Mental Illness - NH, 2009 – present

- On-going volunteer to educate and advocate for improving psychiatric disability services in NH

Educational/Advocacy Workshop Presentations:

- NH Behavioral Health and Public Policy Summit, November 2017
- Cogswell Memorial Conference, October 2016
- NAMI-NH Conference, April 2016
- Bureau of Mental Health, NH Planning and Advisory Council, April 2017
- Testifying to State Legislature committees

Awards:

- Erik Cogswell Memorial Award, October 2017 for “outstanding contributions providing hope, education and support for those living with mental illness and those who care of them.”

Interests

Environment and preserving natural resources; access to affordable higher education; workforce development in health and behavioral health industry; affordable housing; refugee and immigration fair practices

Joshua Routhier

WORK EXPERIENCE

October 2021 – Present

Mental Health Generalist, Seacoast Pathways

155 Brewery Lane Suite 102, Portsmouth, NH 03801

~ 30-34 Hours/Week

- Support members in goal setting to facilitate accomplishment of various work ordered day goals to maximize member potential
- Facilitate and empower clubhouse members engagement in meaningful daily activities through relationship building and therapeutic use of self
- Assist members in establishing appropriate interpersonal skills via modeling and reflective questioning
- Develop systems to increase overall work-unit efficiency

January 2022 – December 2022

Teaching Assistant, University of New Hampshire

Stroke Survivor Group, Occupational Therapy Department

105 Main St, Durham, NH 03824

~ 15 Hours/Week

- Supervise Level 1 Fieldwork students as they prepare, plan, facilitate and reflect throughout the group process
- Review and provide feedback throughout the reflection and SOAP note documentation process
- Initiate community outreach as required to sustain and enhance service deliveries

November 2018 – May 2019; December 2019 – May 2020

Paraprofessional II, Sanborn Regional High School

17 Danville Road, Kingston, NH 03848

~ 20-25 Hours/Week

- Facilitated team-based study groups with students
- Delivered IEP plans through individual and group work via in-person and virtual environments
- Provided individual community mobility support internally and externally

FIELDWORK EXPERIENCE

January 2021 – March 2021

Level IIA, **Pediatric Therapy Center**

340 Granite Street, Manchester, NH 03102

~40 Hours/Week

April 2021 – October 2021

Level IIB, **Seacoast Pathways**

155 Brewery Lane Suite 102, Portsmouth, NH 03801

~ 20-25 Hours/Week

EDUCATION

Joshua Routhier



August 2019 – December 2021,
Occupational Therapy, M.S., University of New Hampshire

August 2016 – May 2018,
Interdisciplinary Studies, B.S., Plymouth State University

August 2014 – May 2016,
Exercise Science, A.S., Manchester Community College

Additional experience

August 2017

Muscular Dystrophy Association, Volunteer

- Provided one on one services to a camper to increase occupational engagement in the domains of outdoor play, arts and craft, boating, feeding, and social participation.
- Modeled pro-social interactions and facilitated conflict resolution between campers

PATTEN GLEN LOHMANN

QUALIFICATIONS

- ❖ Demonstrated ability to create initiatives to generate revenue
- ❖ Proficient in program development
- ❖ Consistent, continual success training and developing team members
- ❖ Proven ability to create business solvency and grow financially despite adverse economic conditions
- ❖ Superb verbal and written communication skills
- ❖ Exceptional interpersonal skills

EXPERIENCE

Lead Health and Recovery Generalist

August 2023 - Present

Seacoast Pathways, 155 Brewery Lane Ste. 102, Portsmouth, NH 03801

- ❖ Responsible for managing day-to-day operations of Seacoast Pathways, a program based on the Clubhouse International model of psychosocial rehabilitation
- ❖ Engage members with a mental health and/or brain injury diagnosis each day, meeting them where they are and work side-by-side to complete the tasks that keep the Clubhouse functioning
- ❖ Offer supported employment counseling for individuals
- ❖ Develop ongoing partnerships with community-based organizations to ensure a broad range of support for individuals
- ❖ Implement successful fundraising strategies
- ❖ Develop programs for parent company Granite Pathways and develop strategies to capture sustainable revenue

Director

January 2015 - August 2023

Work Opportunities Unlimited, 114 Locust St., Dover, NH 03820

- ❖ Responsible for managing all aspects of a human services company in the Seacoast area
- ❖ Successfully trained and developed compassionate team members in accordance with state and federal regulations
- ❖ Ensured solvency by effectively managing controllable costs
- ❖ Demonstrated proven ability to regularly place individuals with disabilities in community-based employment
- ❖ Developed community and business partnerships
- ❖ Worked with NH Vocational Rehabilitation and area agencies to assist clients with barriers obtain meaningful community-based jobs of their choosing

Supportive Roommate

February 2013 - July 2018

Portsmouth, NH

- ❖ Lived with an individual with developmental disability
- ❖ Assisted with enhancing independence at home and in the community
- ❖ Maintained positive role-modeling and safe and secure home life
- ❖ Lived and worked with the fantastic individual while employed full-time

General Manager

August 2005 - July 2014

PR Management Corporation, Newton, MA and CSC Investments, Cleveland TN, DBA Panera Bread

EDUCATION

University of New Hampshire, Whittemore School of Business and Economics

- ❖ Second semester Senior, pursuing BA in Economics. Estimated graduation date TBD.

Kelly Parsons

Work Experience

**Lead Wellness and Recovery Generalist
Granite Pathways-Manchester, NH
May 2024 to Present**

At Manchester Pathways, my role as a Wellness and Recovery Lead Generalist leverages a strong foundation in support services and a deep understanding of mental health, brain injury and substance misuse needs. Guiding a dedicated team, we collaborate to foster member engagement, case management, and facilitate recovery goals, rooted in the clubhouse model principles. My competencies include facilitating assessments, planning, and ensuring adherence to recovery protocols.

Previously, as a Certified Recovery Advisor and Substance Misuse Counselor, I developed a solid grasp of addiction treatment modalities, which now informs my current position. My commitment lies in empowering individuals through thoughtful care coordination and the implementation of structured success plans. The goal is to create an environment where every member can pursue their journey to wellness with the support and resources they need.

**Counselor
New Season-Manchester, NH
January 2024 to May 2024**

- Works with patients to complete all intakes, admissions, discharges, and transfer paperwork.
- Documents patient progress through counseling and interaction through groups.
- Completes patient psychosocial and an individualized treatment plan within the required time frame.
- Identifies any clinical/case management needs and works to address those needs.
- Performs individual, group, and family counseling as required.
- Performs direct one-on-one patient counseling through individual or group counseling.
- Reports patient abuse, neglect and exploitation as required.

- Reports patient grievances as required.
- Educates patients in all aspects of treatment, corresponding health issues and steps to recovery.
- Actively participates in community relations activities as directed and authorized.
- Ensures the reading and understanding of the Policy and Procedures Manual.
- Ensures compliance with 42 CFR Part 2 (Federal Confidentiality Regulations) and 45 CFR, Parts 160 & 164 (HIPAA)
- Actively participates in preparation for surveys and inspections conducted by CARF, the State, DEA, Board of Pharmacy and any other agency site visits as dictated by the state laws or regulations.
- Participation in all staff meetings
- Ensures compliance with local, State, Federal and Colonial Management Group, LP rules, regulations and policies.
- Always acts in the best interests of the program and company; honors, supports, and protects the proprietary data and rights of the company.
- Facilitate recovery groups such as art therapy, women's all-inclusive and anger management.

**Certified Recovery Advisor Aware Recovery Care
Bedford, NH
February 2023 to January 2024**

- Supporting clients in their recovery journey by providing weekly counseling sessions
- Helping clients connect with outside resources and services
- Update EMR and maintain all records
- Completing and documenting UDS

**Resident Instructor/Patient Services Liaison Farnum Center
Manchester, NH
December 2021 to February 2023**

- Supporting clients in a residential setting
- Updating EMR
- Medication management

- Facilitate groups and recovery meetings
- Complete client admissions
- Verify ROI's
- Front office management
- Maintain schedules
- Verify insurance
- Process payments/copays.

**Self Employed Real Estate Investor Chelmsford, MA
April 2002 to October 2015**

- Owned and managed personal rental property.

**Some college in Addiction Services-Building Futures Together UNH Manchester -
Manchester, NH**

November 2020 to July 2023

Certifications and Licenses

- **Certified Recovery Specialist**
- **Driver's License**
- **CPR Certified**
- **Mental Health First Aid Certified**

Volunteer Work:

CTF Foundation- May 2013-Aug. 2018

Walk Coordinator- Coordinated, promoted and fundraiser for the annual CTF Walk for Neurofibromatosis in Boston, MA.

St. Irene's Parish, Carlisle, MA - Sept. 2008-August 2016

Religious Education Instructor - Taught weekly religious education to grades K-6.

SARAH PACHECO

PROFESSIONAL SUMMARY

Knowledgeable Housekeeper and Supervisor with 15+ yrs of experience especially in Customer Relations. Skilled in oral and written communication, active listening and analytical problem-solving skills.

Small Business Owner successful in operations management, competitive analysis and financial management. Demonstrated success in growth and innovation. Capitalizing on new trends and technologies to boost business initiatives.

WORK HISTORY

Aug 2017 - Current

Small Business Owner/Operator / Home-Maid LLC Commercial & Residential Cleaning

- Monitored social media and online sources for industry trends.
- Put together realistic budgets based upon costs and fees for successfully operating business.
- Devised and deployed sales and marketing tactics to drive strategic growth and support achievement of revenue goals.
- Consulted with customers to assess needs and propose optimal solutions.
- Provided financial management through preparation of bank deposits and settlement of sales, returns and transaction reports.

Nov 2022 - Jan 2025

N. Main St, Concord NH 03301

Overnight Shelter Support / Concord Coalition To End Homeless

- Oversaw internal support processes, compiling reports to track overnight worker efficiency.
- Worked with support manager to determine overnight operations effectiveness in meeting overall group objectives.
- Trained new employees and provided positive reinforcement when evaluating completed work.
- Prepared agendas and took notes at meetings to archive proceedings.

Apr 2024 - Current

60 Rogers St, Manchester NH 03103

Wellness and Recovery Generalist / Manchester Pathways Clubhouse

- Ensured all members remained engaged, completing each task and feeling accomplished having gained some autonomy.
- Developed strong, organic relationships through attentive listening, asking questions and going through a crisis prevention form.
- Established key performance indicators, monitoring our progress towards targeted amount of new memberships.
- Trained new team members effectively, increasing overall team efficiency.
- Collaborated with surrounding community businesses to define, strategize, and implement marketing and web strategies.
- Collected, arranged, and input information into FedCap Cares database system.
- Enter all attendance, outreach attempts, referrals, ROTs, hospital stays, and updated member profile paperwork in to FedCap Cares.
- Cultivated positive relationships with donors, case managers and in home health providers. Consistently networking to foster open dialogue and promote or continued prospective partnerships.

EDUCATION

South Portland, ME

Business Administration
Andover College

Leon Nied-Gasey



Work Experience

Recovery Generalist

Manchester Pathways Mental Health and Brain Injury Clubhouse
November 2024 to Present

- Assisting members of clubhouse in hospitality maintenance tasks such as cooking and cleaning.
- Assisting members of clubhouse in multimedia tasks such as designing promotional material.
- Reception work such as logging attendance and fielding phone calls
- Coordinating with personal care providers to meet member needs and fill out intake paperwork with them and members
- Providing tours and promoting the clubhouse
- Organizing social events such as parties and fundraisers alongside members.
- Drafting and executing itineraries.
- Data entry

Freelance Illustrator and Graphic Designer

Self Employed

October 2018 to Present

- Drawing in a variety of styles in digital and pencil sketch mediums
- Contacting customers over the phone and over email
- Practicing networking to find a stable client base
- Setting and enforcing sliding pay scales
- Extrapolating customer wants from vague instructions
- Gained experience in sales as I pitched to new customers a product they could already get for free and still got customers
- Working flexible schedules to meet deadlines
- Helping write basic html code for client websites

Bookstore Clerk

Follett Corporation-Manchester, NH

July 2023 to September 2023

- Organizing and cataloging book inventory
- Managing and updating digital inventory system
- Fielding customer questions and complaints over the phone
- Introducing tour groups to the school
- Managing sales and refunds
- Cleaning the store grounds
- Preparing and cataloging ingoing and outgoing mail

Registered Behavior Technician (RBT)

Ready Set Connect-Manchester, NH

July 2021 to September 2021

- Work with rotating caseload of children
- Help children develop language, reading, and social skills
- Trained in working with children with a variety of behavioral difficulties and needs
- Manage behavioral crisis safely and calmly
- Work with parents to alleviate concerns for the development of their children
- collected moment to moment behavioral data
- Transcribed data between several paper and electronic sources

Stock Worker

Gelzer's Hardware Store-Hillsdale, MI

July 2020 to October 2020

- Keeping track of store inventory
- Refilling items
- Aiding customers in finding and selecting items
- Cleaning the inside of the store
- Organizing displays
- Restocking item storage
- Making keys with a key copying machine
- Working with a team
- Labeling and printing stickers for new orders

Waiter/Server

Medieval Time Dinner and Tournament-Schaumburg, IL

May 2019 to August 2019

- Swiftly bringing food to clients across an arena
- Greeting guests as they arrived
- Moving heavy trays and equipment
- Maintain both a pleasant demeanor and a charter (accent included) over the duration of the performance

- Cleaning and clearing trash and debris after the show
- Setting up before shows
- Keeping inventory of supplies
- Helping maintain and stock the kitchen during and after shows
- Process and record electronic tips

Volunteer Work

Supply transport and distribution

New Hampshire Mutual Aid Relief Fund-Manchester, NH

June 2022 to Present

- Organizing incoming clothing and food donations
- Coordinating transport from storage to setup
- Providing customer service to a vulnerable population
- Outdoor event setup and takedown
- Mediating escalating behavior from served population

Student Volunteer

ADHD Peer Support and Education Network at Hillsdale College-Hillsdale, MI

August 2018 to March 2020

- Drafted proposals for administrative approval in co-founding group
- Speaking with student reps and members over the phone
- Took and arranged notes for meetings
- Prepare supplemental materials before meetings (charts, power points etc.)
- Created “lesson plans” and lectures on weekly topics and activities to go with it.
- Mediating conflict within organization
- Created promotional materials for organization
- Managed manual e-reminders for meetings and “accountability buddy” initiative

Education

Master's degree in Counseling (in progress)

Antioch New England Graduate School - Keene, NH

August 2024 to Present

Bachelor of Science in Psychology

Hillsdale College

August 2017 to May 2021

High school diploma

Saint Viator High School - Arlington Heights, IL

August 2013 to May 2017

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: Granite Pathways

NAME	JOB TITLE	ANNUAL AMOUNT PAID FROM THIS CONTRACT	ANNUAL SALARY
Ann Strachan	Program Director	\$39,304.76	\$65,507.93
Joshua Routhier	Program Manager	\$32,136.00	\$53,560.00
Patten Lohmann	Lead Generalist	\$21,640.32	\$54,100.80
Kelly Parsons	Lead Generalist	\$47,840.00	\$47,840.00
Sarah Pacheco	Generalist	\$28,080.00	\$28,080.00
Leon Nied-Gasey	Generalist	\$39,520.00	\$39,520.00



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF LONG TERM SUPPORTS AND SERVICES

20

Lori A. Weaver
Commissioner

Melissa A. Hardy
Director

105 PLEASANT STREET, CONCORD, NH 03301
603-271-5034 1-800-852-3345 Ext. 5034
Fax: 603-271-5166 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

September 6, 2023

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Long Term Supports and Services, to enter into a contract with Granite Pathways (VC#228900), Manchester, NH 03103, in the amount of \$721,797 for the provision of a psychosocial rehabilitation "Clubhouse" for individuals with Acquired Brain Disorder (ABD) and/or Traumatic Brain Injury (TBI). The Clubhouse will provide support to individuals with ABD/TBI in seeking and maintaining employment, and maintaining a higher level of physical, emotional and functional wellness, with the option to renew for up to two (2) additional years, effective upon Governor and Council approval through March 31, 2025. 100% Federal Funds.

05-95-093-930010-26060000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT, HHS: DIV OF DEVELOPMENTAL SVCS, HCBS ENHANCED FMAP - ARP

State Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2024	102-500731	Contracts for Prog Svc	93009020	\$346,867
2025	102-500731	Contracts for Prog Svc	93009020	\$374,930
			Subtotal	\$721,797

EXPLANATION

The purpose of this request is to provide an integrated social support center based on the Clubhouse Model, an evidence-based, recovery-oriented program, with a peer support model. This individual-centered approach enables individuals living with ABD/TBI to participate in all aspects of their care, including design, planning, and implementation of services. This request will expand upon this Contractor's existing Clubhouse Model to support individuals with an ABD/TBI, and is in response to requests from this population to expand this service across the state.

Clubhouse Model services are integral to the population of people with ABD/TBI because this model offers opportunities for socialization, resources for employment, and recreational opportunities. This program is estimated to serve between twelve (12) and twenty-five (25) individuals at a time.

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

The Department will monitor services by:

- Reviewing quarterly updates on the status of ongoing development of the Clubhouse
- Reviewing participant surveys to measure satisfaction with program.
- Reviewing quarterly updates on the status of marketing updates.

The Department selected the Contractor through a competitive bid process using a Request for Proposals (RFP) that was posted on the Department's website from April 5, 2023 through May 8, 2023. The Department received two (2) responses that were reviewed and scored by a team of qualified individuals. The Scoring Sheet is attached.

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

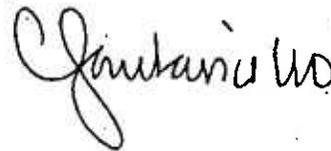
Should the Governor and Executive Council not approve this request, the state will be unable to build its capacity to serve this population.

Area served: Statewide.

Source of Federal Funds: Assistance Listing Number #93.778, Section 9817 of the American Rescue Plan Act of 2021.

In the event that these funds become no longer available, General Funds will not be requested.

Respectfully submitted,



for:

Lori A. Weaver
Commissioner

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

Project ID # RFP-2023-DLTS-03-ACQUI

Project Title Acquired Brain Injury/Traumatic Brain Injury Clubhouse Model Pilot

	Maximum Points Available	Krampets Center	Granite Pathways
Technical			
O1: Experience/Effectiveness of Providing Community Based Services	30	25	20
O2: Implementation/Capacity Building	40	30	29
O3: Marketing/Communications	10	8	6
O4: Accommodations/Accessibility	20	15	15
O5: Sustainability	20	9	17
		0	0
		0	0
		0	0
		0	0
		0	0
		0	0
		0	0
		0	0
Subtotal - Technical	120	87	87
Cost			
Budget Sheet	35	25	27
Program Staff List	15	9	9
Subtotal - Cost	50	34	36
TOTAL POINTS	170	121	123
TOTAL PROPOSED VENDOR COST		\$750,000	\$739,496

Reviewer Name	Title
1. Sandy Feroz	Director, Developmental Services
2. Kyra Leonard	Finance Director
3. Josh Gehring	Clinical Administrator
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10.	

Subject: RFP-2023-DLTSS-05-ACQUI Acquired Brain Disorder/Traumatic Brain Injury Clubhouse Model Pilot

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

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Granite Pathways		1.4 Contractor Address 60 Rogers St. Unit 205, Manchester NH 03103	
1.5 Contractor Phone Number (603)263-6469	1.6 Account Number 05-95-093-930010- 26060000-102-500731	1.7 Completion Date 3/31/2025	1.8 Price Limitation \$721,797
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by: <i>Kenneth Brezenoff</i>	8/31/2023 Date:	1.12 Name and Title of Contractor Signatory Kenneth Brezenoff Authorized Representative	
1.13 State Agency Signature DocuSigned by: <i>Melissa Hardy</i>	8/31/2023 Date:	1.14 Name and Title of State Agency Signatory Melissa Hardy Director, DLTSS	
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: <i>Robyn Aquino</i> On: 9/1/2023			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

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

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

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

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

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

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

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

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

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

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

9. TERMINATION.

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

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

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

10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

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

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

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

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

14. INSURANCE.

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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

**New Hampshire Department of Health and Human Services
Acquired Brain Disorder/Traumatic Brain Injury Clubhouse Model Pilot
EXHIBIT A**

Revisions to Standard Agreement Provisions

1. Revisions to Form P-37, General Provisions

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

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

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

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

**New Hampshire Department of Health and Human Services
Acquired Brain Disorder/Traumatic Brain Injury "Clubhouse Model" Pilot
EXHIBIT B**

Scope of Services

1. Statement of Work

- 1.1. The Contractor must provide psychosocial rehabilitation for individuals with Acquired Brain Disorder (ABD) and/or Traumatic Brain Injury (TBI), through a Clubhouse Model, to provide support in seeking and maintaining employment, maintaining a higher level of physical and emotional wellness, and increasing functional status.
- 1.2. The Contractor must develop Clubhouse Model services for the target population at its location in Portsmouth, New Hampshire (NH), to commence within six (6) weeks of the contract effective date.
- 1.3. The Contractor must develop and operationalize a Clubhouse Model program in Manchester, NH, within six (6) months of the contract effective date.
- 1.4. The Contractor must provide services to individuals who live in NH, regardless of their residence, in-person and virtually.
- 1.5. The Contractor must assist individuals with learning life skills, including planning, organization, and social participation.
- 1.6. The Contractor must collaborate with existing TBI/ABD Clubhouses for expertise and best practices, to implement strategies to enhance programming for NH's TBI/ABD participants.
- 1.7. The Contractor must provide services including, but not limited to:
 - 1.7.1. An organized group setting designed to support the individual's personal independence, and promote social engagement, through healthy choices for improvement of health status, and utilization of community resources, including, but not limited to:
 - 1.7.1.1. Making connections with various resources, including, but not limited to:
 - 1.7.1.1.1. Childcare;
 - 1.7.1.1.2. Budget management;
 - 1.7.1.1.3. Substance misuse treatment;
 - 1.7.1.1.4. Caregiver support;
 - 1.7.1.1.5. Behavioral health counseling;
 - 1.7.1.1.6. Case Management; and
 - 1.7.1.1.7. Other needed resources based on individual personal needs.
 - 1.7.1.2. Increasing social engagement;
 - 1.7.1.3. Encouraging participation in all aspects of care, including:
 - 1.7.1.3.1. Design;
 - 1.7.1.3.2. Planning; and

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**New Hampshire Department of Health and Human Services
Acquired Brain Disorder/Traumatic Brain Injury "Clubhouse Model" Pilot
EXHIBIT B**

- 1.7.1.3.3. Implementation of services.
- 1.7.1.4. Designating staff to assist individuals with TBI/ABD to establish policies, procedures, and governance used at the Clubhouse, and assist participants to develop and implement daily activities.
- 1.7.1.5. Developing a sustainable model for providing these services to the target population.
- 1.7.1.6. Developing a marketing plan for the services to be delivered, to include:
 - 1.7.1.6.1. Marketing materials for disbursement, including, but not limited to:
 - 1.7.1.6.1.1. Flyers;
 - 1.7.1.6.1.2. Local media advertisements; and
 - 1.7.1.6.1.3. Other marketing outlets as defined by the Department.
- 1.8. The Contractor must utilize a holistic approach to provide services and supports to individuals served by the Clubhouse Model program, including, but not limited to:
 - 1.8.1. General Clubhouse programming, which includes, but is not limited to:
 - 1.8.1.1. Care Coordination to address social determinates of health issues;
 - 1.8.1.2. Health and wellness programming;
 - 1.8.1.3. Peer support;
 - 1.8.1.4. Pre-Employment Readiness Training.
 - 1.8.1.5. Vocational guidance and support for job placement.
 - 1.8.1.6. Job placement.
- 1.9. The Contractor must ensure:
 - 1.9.1. Membership in the Clubhouse Model is voluntary.
 - 1.9.2. Clubhouse membership is without time-limits and access supports the recovery process.
 - 1.9.3. All individuals have access to services/supports and resources with no differentiation based on diagnosis or level of functioning.
 - 1.9.4. Individuals establish their own schedule of attendance, with opportunities to develop skills, confidence and routines necessary to return to paid employment.
 - 1.9.5. Individuals and staff are organized into one or more work units, which provide meaningful and engaging work essential to running and maintaining the Clubhouse.

**New Hampshire Department of Health and Human Services
Acquired Brain Disorder/Traumatic Brain Injury "Clubhouse Model" Pilot
EXHIBIT B**

- 1.9.6. Individuals are actively engaged and supported on a regular basis by Clubhouse staff in the activities and tasks that they have chosen.
- 1.9.7. Individual membership in the program and access to supportive services reflects the individual's preferences and needs, building on the person-centered planning process.
- 1.9.8. Staff and individuals work side-by-side to generate and accomplish individual/team tasks and activities necessary for the development, support, and maintenance of the Clubhouse.
- 1.9.9. Staff help to identify meaningful community-based opportunities for individuals and are able to facilitate workgroups.
- 1.10. The Contractor must purchase and provide accessibility options and accommodations, as needed, to meet the needs of the TBI/ABD community, including, but not limited to:
 - 1.10.1. Communication boards and charts.
 - 1.10.2. Equipment to enhance the virtual inclusion and accessibility of the Clubhouse, including tablets with video cameras for Zoom access.
 - 1.10.3. Speech-to-text software.
 - 1.10.4. Text-to-speech software.
 - 1.10.5. Cognitive and Aids, including, but not limited to:
 - 1.10.5.1. Electronic organizers and reminders.
 - 1.10.5.2. Electronic memory aids and prompts.
 - 1.10.5.3. Mobile and desktop software for memory and cognitive support and training.
 - 1.10.6. Visual and Auditory Aids, including, but not limited to:
 - 1.10.6.1. Screen readers and magnifiers.
 - 1.10.6.2. Amplified telephones and ringers.
 - 1.10.6.3. Assistive listening devices.
 - 1.10.6.4. Task charts/roles via whiteboards.
 - 1.10.7. Mobility and Accessibility Aids, including, but not limited to:
 - 1.10.7.1. Slide / transfer boards.
 - 1.10.7.2. Elevator and ramps.
 - 1.10.7.3. Adjustable height chairs and/desks.
 - 1.10.8. Cognitive Remediation Tools, including, but not limited to:
 - 1.10.8.1. Additional software and applications for accessibility for individuals with TBI/ABD such as cognitive remediation, language re-acquisition, and Microsoft Office tutorials.
 - 1.10.8.2. Inclusion of activities such as Brain Games and typing skill acquisition.

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**New Hampshire Department of Health and Human Services
Acquired Brain Disorder/Traumatic Brain Injury "Clubhouse Model" Pilot
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- 1.10.9. Sensory Accommodations, including, but not limited to:
 - 1.10.9.1. Light Dimmers.
 - 1.10.9.2. Sound Machines.
 - 1.10.9.3. Quiet Work Spaces.
- 1.11. The Contractor must assist individuals accessing the Clubhouse to achieve goals identified in their person-centered plan.
- 1.12. The Contractor must promote symptom stability and wellness management, such as self-management of medication, psychoeducation, relapse prevention training, and coping skills training, and assist individuals to restore personal, social and community living skills necessary for independent self-management.
- 1.13. The Contractor must promote independent living skills aimed at addressing a person's skill enhancement in areas necessary to maintain or increase independent living, including, but not limited to:
 - 1.13.1. Learning how to access public transportation;
 - 1.13.2. Learning how to budget;
 - 1.13.3. Requesting workplace accommodations;
 - 1.13.4. Following a schedule; and
 - 1.13.5. Establishing and maintaining a positive daily routine.
- 1.14. The Contractor must assist with interpersonal development aimed at addressing an individual's skill enhancement in areas of social appropriateness and social integration, and the ability to manage situations including, but not limited to:
 - 1.14.1. Dealing effectively with stressors;
 - 1.14.2. Conversational skills;
 - 1.14.3. Listening skills;
 - 1.14.4. Positive assertive skills; and
 - 1.14.5. Conflict resolution.
- 1.15. The Contractor must provide opportunities for skill development; presentation, and group interactions as well as a social skill activity, management of mental health and other psychosocial rehabilitative skills in a replicated work environment to develop life skills and social skills.
- 1.16. The Contractor must provide psycho-educational information to families, and/or other people involved with the individual's care, and their diagnosis, condition, and treatment to support recovery and encourage problem solving strategies.
- 1.17. The Contractor must provide direct outreach service to individuals within their immediate environment, with a focus on decreased isolation, engagement, stabilization support, intervention, and linkages that can be provided by the Clubhouse Model.
- 1.18. The Contractor must provide community support services such as ~~linking~~,
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**New Hampshire Department of Health and Human Services
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EXHIBIT B**

brokering, advocating with/for individuals as needed and specified in the person-centered plan, to gain access to a variety of social and medical resources including, but not limited to:

- 1.18.1. Housing;
 - 1.18.2. Mental health treatment;
 - 1.18.3. General medical services;
 - 1.18.4. Food;
 - 1.18.5. Clothing;
 - 1.18.6. Government benefits;
 - 1.18.7. Education resources; and
 - 1.18.8. Other basic needs.
- 1.19. The Contractor must provide interpersonal communication skill-building for individuals, to augment effectiveness in accessing resources such as transportation.

1.20. Staffing

- 1.20.1. The Contractor must utilize the following staffing plan for the two (2) Clubhouse locations (Portsmouth and Manchester) provided:
- 1.20.1.1. One (1) Full-Time Equivalent (FTE) Program Director between both locations.
 - 1.20.1.2. One (1) FTE Program Manager between both locations.

Seacoast Clubhouse (Portsmouth)

- 1.20.1.3. One (1) FTE Clubhouse staff member;
- 1.20.1.4. One (1) part-time Clubhouse staff member;
- 1.20.1.5. One (1) part-time vocational specialist;
- 1.20.1.6. One (1) part-time health & wellness coach.

Manchester Clubhouse (Manchester)

- 1.20.1.7. One (1) FTE Clubhouse staff member;
- 1.20.1.8. One (1) part-time Clubhouse staff member;
- 1.20.1.9. One (1) part-time vocational specialist;
- 1.20.1.10. One (1) part-time activities coordinator.

- 1.21. The Contractor must participate in meetings with the Department on a quarterly basis, or as otherwise requested by the Department.
- 1.22. The Contractor must participate in on-site reviews conducted by the Department, as requested.
- 1.23. The Contractor must facilitate reviews of files conducted by the Department, as requested.

1.24. Reporting

- 1.24.1. The Contractor must submit quarterly updates to the Department,

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**New Hampshire Department of Health and Human Services
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detailing the following:

1.24.1.1. Status of marketing updates, including:

- 1.24.1.1.1. Creation of pamphlets defining services to be distributed at targeted agencies/facilities;
- 1.24.1.1.2. Development of other marketing materials;
- 1.24.1.1.3. Disbursement method of marketing materials;
- 1.24.1.1.4. In-service presentations to case management agencies; and
- 1.24.1.1.5. Number of disbursements to the target population.

1.24.1.2. Status of development of the Clubhouse, to include:

- 1.24.1.2.1. Staff hired, and quality oversight.
- 1.24.1.2.2. Aggregated and de-identified demographic information for number of individuals served. Contractor must ensure that no individual can be directly or indirectly identified by the data submitted.
- 1.24.1.2.3. Status of programs developed and services delivered to the covered populations listed above.
- 1.24.1.2.4. Funding allocations for development and/or implementation of the overall project.

1.24.1.3. Development of a survey to report on participant satisfaction.

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

1.25. Background Checks

1.25.1. Prior to permitting any individual to provide services under this Agreement, the Contractor must ensure that said individual has undergone:

- 1.25.1.1. A criminal background check, at the selected Vendor's expense, and has no convictions for crimes that represent evidence of behavior that could endanger individuals served under this Agreement;
- 1.25.1.2. A name search of the Department's Bureau of Elderly and Adult Services (BEAS) State Registry, pursuant to RSA 161-F:49, with results indicating no evidence of behavior that could endanger individuals served under this Agreement;

1.26. Privacy Impact Assessment

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

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

- 1.26.1.1. How PII is gathered and stored;
- 1.26.1.2. Who will have access to PII;
- 1.26.1.3. How PII will be used in the system;
- 1.26.1.4. How individual consent will be achieved and revoked; and
- 1.26.1.5. Privacy practices.

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

1.27. Contract End-of-Life Transition Services

1.27.1. General Requirements

1.27.1.1. If applicable, upon termination or expiration of the Contract the Parties agree to cooperate in good faith to effectuate a smooth secure transition of the Services from the Contractor to the Department and, if applicable, the Contractor engaged by the Department to assume the Services previously performed by the Contractor for this section the new Contractor shall be known as "Recipient"). Ninety (90) days prior to the end-of the contract or unless otherwise specified by the Department, the Contractor must begin working with the Department and if applicable, the new Recipient to develop a Data Transition Plan (DTP). The Department shall provide the DTP template to the Contractor.

1.27.1.2. The Contractor must use reasonable efforts to assist the Recipient, in connection with the transition from the performance of Services by the Contractor and its End Users to the performance of such Services. This may include assistance with the secure transfer of records (electronic and hard copy); transition of historical data (electronic and hard copy); the transition of any such

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Service from the hardware, software, network and telecommunications equipment and internet-related information technology infrastructure ("Internal IT Systems") of Contractor to the Internal IT Systems of the Recipient and cooperation with and assistance to any third-party consultants engaged by Recipient in connection with the Transition Services.

- 1.27.1.3. If a system, database, hardware, software, and/or software licenses (Tools) was purchased or created to manage, track, and/or store Department Data in relationship to this contract said Tools will be inventoried and returned to the Department, along with the inventory document, once transition of Department Data is complete.
- 1.27.1.4. 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 Contract.
- 1.27.1.5. Should the data Transition extend beyond the end of the Contract, the Contractor agrees that the Contract Information Security Requirements, and if applicable, the Department's Business Associate Agreement terms and conditions remain in effect until the Data Transition is accepted as complete by the Department.
- 1.27.1.6. In the event where the Contractor has comingled Department Data and the destruction or Transition of said data is not feasible, the Department and Contractor will jointly evaluate regulatory and professional standards for retention requirements prior to destruction, refer to the terms and conditions of Exhibit K: DHHS Information Security Requirements.

1.27.2. Completion of Transition Services

- 1.27.2.1. 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.

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1.27.2.2. 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 Exhibit K: DHHS Information Security Requirements.

1.27.3. Disagreement over Transition Services Results

1.27.3.1. In the event the Department is not satisfied with the results of the Transition Service, the Department shall notify the Contractor, by email, 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 Contract.

1.28. Website and Social Media

1.28.1. The Contractor must work with the Department's Communications Bureau to ensure that any social media or website designed, created, or managed on behalf of the Department meets all Department and NH DoIT website and social media requirements and policies.

1.28.2. The Contractor agrees Protected Health Information (PHI), Personally Identifiable Information (PII), or other Confidential Information solicited either by social media or the website that is maintained, stored or captured must not be further disclosed unless expressly provided in the Contract. The solicitation or disclosure of PHI, PII, or other Confidential Information is subject to Exhibit K: Department Information Security Requirements and Exhibit I: DHHS Business Associate Agreement and all applicable Department and federal law, rules, and agreements. Unless specifically required by the Contract and unless clear notice is provided to users of the website or social media, the Contractor agrees that site visitation must not be tracked, disclosed or used for website or social media analytics or marketing.

1.28.3. State of New Hampshire's Website Copyright

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

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**New Hampshire Department of Health and Human Services
Acquired Brain Disorder/Traumatic Brain Injury "Clubhouse Model" Pilot
EXHIBIT B**

2. Exhibits Incorporated

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

3. Additional Terms

3.1. Impacts Resulting from Court Orders or Legislative Changes

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

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

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

3.3. Credits and Copyright Ownership

- 3.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Agreement must include the following statement, "The preparation of this (report, document etc.) was financed under an Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."

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

**New Hampshire Department of Health and Human Services
Acquired Brain Disorder/Traumatic Brain Injury "Clubhouse Model" Pilot
EXHIBIT B**

- prior approval from the Department before printing, production, distribution or use.
- 3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to:
- 3.3.3.1. Brochures.
 - 3.3.3.2. Resource directories.
 - 3.3.3.3. Protocols or guidelines.
 - 3.3.3.4. Posters.
 - 3.3.3.5. Reports.
- 3.3.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.
- 3.4. **Operation of Facilities: Compliance with Laws and Regulations**
- 3.4.1. In the operation of any facilities for providing services, the Contractor must comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which must impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit must be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Agreement the facilities must comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and must be in conformance with local building and zoning codes, by-laws and regulations.

4. Records

- 4.1. The Contractor must keep records that include, but are not limited to:
- 4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.
 - 4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original

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

evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

- 4.2. During the term of this Agreement and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives must have access to all reports and records maintained pursuant to the Agreement for purposes of audit, examination, excerpts and transcripts.
- 4.3. If, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder, the Department retains the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

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

Payment Terms

1. This Agreement is funded by:
 - 1.1. 100% Federal funds, Section 9817 of the American Rescue Plan Act of 2021, as awarded on May 13, 2021, by the Department Of Health & Human Services, Centers for Medicare & Medicaid Services, ALN 93.778, Section 9817 of the American Rescue Plan Act of 2021 (ARP).
2. For the purposes of this Agreement the Department has identified:
 - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
 - 2.2. The Agreement as NON-R&D, in accordance with 2 CFR §200.332.
3. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and shall be in accordance with the approved line items, as specified in Exhibits C-1, Budget through Exhibit C-2, Budget.
4. The Contractor shall submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor shall ensure each invoice:
 - 4.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
 - 4.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
 - 4.3. Identifies and requests payment for allowable costs incurred in the previous month.
 - 4.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
 - 4.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.
 - 4.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to dhhs.bdsinvoices@dhhs.nh.gov or mailed to:

Financial Manager
Department of Health and Human Services
105 Pleasant Street
Concord, NH 03301
5. The Department shall make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses, subsequent to approval of the submitted invoice.

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**New Hampshire Department of Health and Human Services
Acquired Brain Disorder/Traumatic Brain Injury Clubhouse Model Pilot
EXHIBIT C**

6. The final invoice and supporting documentation for authorized expenses shall be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
7. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
8. Audits
 - 8.1. The Contractor must email an annual audit to dhhs.act@dhhs.nh.gov if any of the following conditions exist:
 - 8.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
 - 8.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
 - 8.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
 - 8.2. If Condition A exists, the Contractor shall submit an annual Single Audit performed by an independent Certified Public Accountant (CPA) to dhhs.act@dhhs.nh.gov within 120 days after the close of the Contractor's fiscal year; conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.
 - 8.2.1. The Contractor shall submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor shall submit quarterly progress reports on the status of implementation of the corrective action plan.
 - 8.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
 - 8.4. 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

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

Agreement to which exception has been taken, or which have been disallowed because of such an exception.

New Hampshire Department of Health and Human Services		
Complete one budget form for each budget period.		
Contractor Name: <u>Granite Pathways</u>		
Budget Request for: <u>Clubhouse for TBI/ABD</u>		
Budget Period <u>SFY 24</u>		
Indirect Cost Rate (if applicable) <u>28.02%</u>		
Line Item	Program Cost - Funded by DHHS	
1. Salary & Wages	\$157,678	
2. Fringe Benefits	\$53,611	
3. Consultants	\$8,600	
4. Equipment Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	\$2,000	
5.(a) Supplies - Educational	\$1,150	
5.(b) Supplies - Lab	\$0	
5.(c) Supplies - Pharmacy	\$0	
5.(d) Supplies - Medical	\$0	
5.(e) Supplies Office	\$850	
6. Travel	\$2,000	
7. Software	\$30,000	
8. (a) Other - Marketing/ Communications	\$3,500	
8. (b) Other - Education and Training	\$4,000	
8. (c) Other - Other (specify below)		
Supplies for member activities and member work units	\$8,000	
Other (please specify)	\$0	
Other (please specify)	\$0	
Other (please specify)	\$0	
9. Subrecipient Contracts	\$0	
Total Direct Costs	\$271,389	
Total Indirect Costs	\$75,478	
TOTAL	\$346,867	

Contractor Initials AB
 Date 8/31/2023

New Hampshire Department of Health and Human Services Complete one budget form for each budget period. Contractor Name: <u>Granite Pathways</u> Budget Request for: <u>Clubhouse for TBVABD</u> Budget Period <u>SFY 25</u> Indirect Cost Rate (if applicable) <u>26.83%</u>		
Line Item	Program Cost - Funded by DHHS	
1. Salary & Wages	\$194,500	
2. Fringe Benefits	\$66,130	
3. Consultants	\$8,600	
4. Equipment Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	\$2,000	
5.(a) Supplies - Educational	\$1,150	
5.(b) Supplies - Lab	\$0	
5.(c) Supplies - Pharmacy	\$0	
5.(d) Supplies - Medical	\$0	
5.(e) Supplies Office	\$850	
6. Travel	\$2,000	
7. Software	\$5,000	
8. (a) Other - Marketing/ Communications	\$1,000	
8. (b) Other - Education and Training	\$8,500	
8. (c) Other - Other (specify below) Supplies for member activities and member work units	\$6,300	
Other (please specify)	\$0	
Other (please specify)	\$0	
Other (please specify)	\$0	
9. Subrecipient Contracts	\$0	
Total Direct Costs	\$296,030	
Total Indirect Costs	\$78,900	
TOTAL	\$374,930	



**New Hampshire Department of Health and Human Services
Exhibit D**

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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



**New Hampshire Department of Health and Human Services
Exhibit D**

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

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

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

Vendor Name: Granite Pathways

8/31/2023
Date

DocuSigned by:
Kenneth Brezenoff
Name: Kenneth Brezenoff
Title: Authorized Representative



**New Hampshire Department of Health and Human Services
Exhibit F**

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

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

INSTRUCTIONS FOR CERTIFICATION

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

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**New Hampshire Department of Health and Human Services
Exhibit F**

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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

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

Contractor Name: granite Pathways

8/31/2023

Date

DocuSigned by:

Kenneth Brezenoff

Name: Kenneth Brezenoff

Title: Authorized Representative

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Contractor Initials

Date 8/31/2023



New Hampshire Department of Health and Human Services
Exhibit G

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

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

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

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

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

Exhibit G

Contractor Initials

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



**New Hampshire Department of Health and Human Services
Exhibit G**

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

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

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

Contractor Name: Granite Pathways

8/31/2023

Date

DocuSigned by:

Kenneth Brezenoff

Name: Kenneth Brezenoff

Title: Authorized Representative

Exhibit G

Contractor Initials

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Certification of Compliance with requirements pertaining to Federal Non-discrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections



New Hampshire Department of Health and Human Services
Exhibit H

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Contractor Name: Granite Pathways

8/31/2023

Date

DocuSigned by:

Kenneth Brezenoff

Name: Kenneth Brezenoff

Title: Authorized Representative



New Hampshire Department of Health and Human Services

Exhibit I

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

- a. **"Breach"** shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. **"Business Associate"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. **"Covered Entity"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. **"Designated Record Set"** shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. **"Data Aggregation"** shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. **"Health Care Operations"** shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. **"HITECH Act"** means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. **"Individual"** shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. **"Privacy Rule"** shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. **"Protected Health Information"** shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

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Contractor Initials

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Date 8/31/2023



New Hampshire Department of Health and Human Services

Exhibit I

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

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

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

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New Hampshire Department of Health and Human Services

Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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



New Hampshire Department of Health and Human Services

Exhibit I

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

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



New Hampshire Department of Health and Human Services

Exhibit I

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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

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Contractor Initials

Date 8/31/2023



New Hampshire Department of Health and Human Services

Exhibit I

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

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

Department of Health and Human Services

The State of
Melissa Hardy

Signature of Authorized Representative

Melissa Hardy

Name of Authorized Representative
Director, DLSS

Title of Authorized Representative

8/31/2023

Date

Granite Pathways

Name of the Contractor

Kenneth Brezenoff

Signature of Authorized Representative

Kenneth Brezenoff

Name of Authorized Representative

Authorized Representative

Title of Authorized Representative

8/31/2023

Date



New Hampshire Department of Health and Human Services
Exhibit J

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

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

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

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique Identifier of the entity (UEI #)
10. Total compensation and names of the top five executives if:
 - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
 - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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

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

Contractor Name: Granite Pathways

8/31/2023

Date

DocuSigned by:

Kenneth Brezenoff

Name: Kenneth Brezenoff

Title: Authorized Representative

Contractor Initials

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Date 8/31/2023



New Hampshire Department of Health and Human Services
Exhibit J

FORM A

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

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

NO YES

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

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

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

NO YES

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

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

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

Name: _____	Amount: _____

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



A. Definitions

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

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

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

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

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New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

A. Retention

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

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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

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

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

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

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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.
 - 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.

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

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

V. LOSS REPORTING

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

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

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

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5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

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

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov