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

Lori A. Weaver  
Commissioner

Melissa A. Hardy  
Director

105 PLEASANT STREET, CONCORD, NH 03301  
603-271-5034 1-800-852-3345 Ext. 5034  
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May 23, 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 enter into a **Sole Source** contract with Northern Human Services (VC#177222-B004), Conway, NH, in the amount of \$766,811 to provide developmental disability services, acquired brain disorder services and early supports and services, with the option to renew for up to four additional years, effective July 1, 2025, upon Governor and Council approval through June 30, 2027. 3% Federal Funds. 97% General Funds.

Funds are anticipated to be available in State Fiscal Years 2026 and 2027, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

**See attached fiscal details.**

**EXPLANATION**

This request is **Sole Source** because the Contractor is the only contractor able to provide the necessary services in this area. NH RSA 171-A:2, I-b defines an Area Agency as a nonprofit corporation established to provide or coordinate services to developmentally disabled persons in accordance with 42 C.F.R. section 441.301. Pursuant to RSA 171-A:18, I., the Area Agency is the primary recipient of funds provided by the Department for use in establishing, operating and administering supports and services on behalf of persons with developmental disabilities and acquired brain disorders served in the designated geographic area.

This request will allow the Area Agency to provide and coordinate developmental disability services, acquired brain disorder services, and early supports and services to children, adults and families in the designated geographic region. Through this agreement, the Area Agency will work collaboratively with the Department on a variety of initiatives designed to sustain a high-quality system of supports and services for people with developmental disabilities and acquired brain disorders.

Approximately 1485 individuals will be served annually.

The Area Agency functions as an integral part of the Developmental Services delivery system. Services provided through the Area Agency include support for individuals to live in the community, family-centered early supports, family support, and service coordination.

The Department will monitor contract performance by evaluating compliance with all performance measures and ensuring contract deliverables are met. The Department will monitor Contractor performance by reviewing quarterly and annual reports that demonstrate:

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

- An Individualized Family Support Plan (IFSP) is developed for each child eligible for Family Centered Early Supports & Services (FCESS).
- All FCESS are provided within the required timeframes.
- Eligible individuals were assisted with accessing and applying for community resources, services and/or public programs available to them.
- Individuals and/or families surveyed are satisfied with the family support services received.

As referenced in Exhibit A, Revisions to Standard Agreement Provisions of the attached agreement, the parties have the option to extend the agreement for up to four (4) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval.

Should the Governor and Council not authorize this request, the Area Agency will not be able to fully provide the required functions of the Developmental Disabilities service delivery system maintained by the Department and as outlined in RSA 171-A. As a result, individuals with developmental disabilities and acquired brain disorders and their families will not receive required and essential services.

Area served: Region 1.

Source of Federal Funds: Assistance Listing Number #84.181A, FAIN #H181A230127.

Respectfully submitted,

  
Lori A. Weaver  
Commissioner

**Fiscal Details**

**05-95-93-930010-7013 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: DLSS-DEVELOPMENTAL SVCS, DIV OF DEVELOPMENTAL SVCS, FAMILY SUPPORT SERVICES (100% General Funds)**

Northern Human Services (Vendor Code 177222-B004)

Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2026	102-500731	Contracts for Program Svs	93007013	\$131,748.00
2026	103-502664	Contracts for Operational Svs	93007013	\$222,001.00
2027	102-500731	Contracts for Program Svs	93007013	\$131,748.00
2027	103-502664	Contracts for Operational Svs	93007013	\$214,558.00
			<b>Subtotal</b>	<b>\$700,055.00</b>

**05-95-93-930510-3677 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: DLSS-DEVELOPMENTAL SVCS, BUR - FAMILY CENTERED SERVICES, EARLY INTERVENTION (100% General Funds)**

Northern Human Services (Vendor Code 177222-B004)

Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2026	102-500731	Contracts for Program Svs	93057014	\$21,943.00
2027	102-500731	Contracts for Program Svs	93057014	\$21,943.00
			<b>Subtotal</b>	<b>\$43,886.00</b>

**05-95-93-930510-3674 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: DLSS-DEVELOPMENTAL SVCS, BUR - FAMILY CENTERED SERVICES, INFANT - TODDLER PROGRAM PT-C (100% Federal Funds)**

Northern Human Services (Vendor Code 177222-B004)

Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2026	074-500589	Grants for Pub Asst and Relief	93053674	\$11,435.00
2027	074-500589	Grants for Pub Asst and Relief	93053674	\$11,435.00
			<b>Subtotal</b>	<b>\$22,870.00</b>

			<b>Total</b>	<b>\$766,811.00</b>
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Subject: Area Agency SS-2026-DLTSS-01-AREAA-09

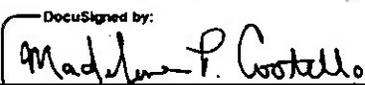
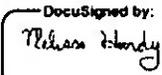
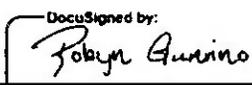
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

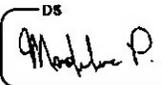
**AGREEMENT**

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 Northern Human Services		1.4 Contractor Address 87 Washington Street Conway, NH, 03818	
1.5 Contractor Phone Number 603-447-3347	1.6 Account Unit and Class TBD	1.7 Completion Date June 30, 2027	1.8 Price Limitation \$766,811
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by:  Date: 5/27/2025		1.12 Name and Title of Contractor Signatory Madelene Costello Board President	
1.13 State Agency Signature DocuSigned by:  Date: 5/27/2025		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:  On: 5/31/2025			
1.17 Approval by the Governor and Executive Council (if applicable)  G&C Item number: _____ G&C Meeting Date: _____			

Contractor Initials   
 Date 5/27/2025

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

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

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

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

**5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.**

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

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

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

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

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

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

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

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

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

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

**7. PERSONNEL.**

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

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

os  
M. Madeline P.  
Contractor Initials  
Date 5/27/2025

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

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

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

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

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

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

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

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

**9. TERMINATION.**

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

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

**10. PROPERTY OWNERSHIP/DISCLOSURE.**

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

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

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

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

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.**

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

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

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

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

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

**14. INSURANCE.**

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

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

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

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

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

**15. WORKERS' COMPENSATION.**

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

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

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

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

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

**19. CHOICE OF LAW AND FORUM.**

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

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

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

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

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

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

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

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

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

New Hampshire Department of Health and Human Services  
Area Agency

EXHIBIT A

Revisions to Standard Agreement Provisions

1. Revisions to Form P-37, General Provisions

1.1. Paragraph 3, Subparagraph 3.1., Effective Date/Completion of Services, is amended as follows:

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, this Agreement, and all obligations of the parties hereunder, shall become effective on July 1, 2025 ("Effective Date").

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

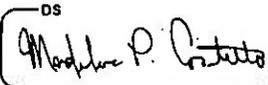
3.3. Contractor must complete all Services by the Completion Date specified in block 1.7. The parties may extend the Agreement for up to four (4) additional years from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

1.3. Paragraph 10, Property Ownership/Disclosure, is amended by deleting subparagraph 10.3., in its entirety and replacing it as follows:

10.3. Disclosure of data, information and other records shall be governed by N.H. RSA chapter 91-A, other applicable law, and Exhibit E: DHHS Information Security Requirements. Disclosure requires prior written approval of the State.

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

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

<sup>DS</sup>  


**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

**Scope of Services**

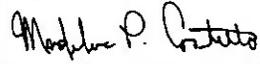
**1. Statement of Work**

- 1.1. The Contractor must operate and maintain designation as an Area Agency (AA), as defined in NH RSA 171-A:2, I-b, in accordance with NH Administrative Rule He-M 500, Developmental Services, hereby referenced as He-M 500, PART 505, Establishment and Operation of Area Agencies.
- 1.2. The Contractor must ensure contract services are available in Region 1, in accordance with He-M 500.
- 1.3. For the purposes of this Agreement, all references to:
  - 1.3.1. Days means calendar days, unless otherwise noted, excluding state and federal holidays.
  - 1.3.2. Business hours mean Monday through Friday from 8:00 AM to 4:00 PM.
  - 1.3.3. State fiscal year (SFY) means July 1 through June 30.
  - 1.3.4. Federal fiscal year (FFY) means October 1 through September 30.
- 1.4. The Contractor must provide services to individuals with a developmental disability and/or an acquired brain disorder and their families, to promote the individual's personal development, independence, and quality of life, in accordance with state and federal regulations, laws and rules, as applicable, which include, but are not limited to:
  - 1.4.1. New Hampshire (NH) Revised Statutes Annotated (RSA) 171-A, Services for the Developmentally Disabled.
  - 1.4.2. NH RSA 171-B, Involuntary Admission for Persons found Not Competent to Stand Trial.
  - 1.4.3. NH RSA 137-K, Brain and Spinal Cord Injuries.
  - 1.4.4. NH RSA 126-G, Family Support Services.
  - 1.4.5. NH Administrative Rule Chapter He-M 500, Developmental Services, hereby referenced as He-M 500.
  - 1.4.6. NH Administrative Rule He-M 202 Rights Protection Procedures for Developmental Services, hereby referenced as He-M 202.
  - 1.4.7. NH Administrative Rule He-M 310 Rights of Persons Receiving Developmental Services or Acquired Brain Disorder Services in the Community, hereby referenced as He-M 310.
  - 1.4.8. NH Administrative Rule He-M 1001 Certification Standards for Developmental Services Community Residences, hereby referenced as He-M 1001.

**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

- 1.4.9. NH Administrative Rule He-M 1201 Healthcare Coordination and Administration of Medications, hereby referenced as He-M 1201.
- 1.4.10. 1915(c) Home and Community Based Services Waivers.
- 1.4.11. U.S. Department of Education, Office of Special Education Program (OSEP) regulations, including, but not limited to the Individuals with Disabilities Education Act (IDEA) Subchapter III. Infants and Toddlers with Disabilities (Part C).
- 1.4.12. The NH Department of Health and Human Services (Department) procedures and policies regarding developmental disabilities and acquired brain disorder services, as they are developed, implemented, and amended.
- 1.5. The Contractor must accept applications from individuals, their guardians, or representatives, in the Contractor's region, seeking services for:
  - 1.5.1. A Developmental Disability (DD); or
  - 1.5.2. An Acquired Brain Disorder (ABD).
- 1.6. The Contractor must complete a comprehensive screening evaluation to determine if an individual is eligible for:
  - 1.6.1. Developmental Disability Services in accordance with He-M 500, PART 503; or
  - 1.6.2. Acquired Brain Disorder Services in accordance with He-M 500, PART 522.
- 1.7. The Contractor must assist all individuals determined eligible with accessing and applying for community resources, services, and/or public programs available to them.
- 1.8. The Contractor must provide access to contract services in the individual's service agreement (ISA) for eligible individuals only, ensuring the Department is under no obligation to pay for services initiated without prior Department approval.
- 1.9. The Contractor must provide information and assistance that enables individuals and their families to make informed decisions about their services and supports.
- 1.10. The Contractor must network and partner with community organizations, in an effort to support inclusive community life and leverage natural resources, services and supports.
- 1.11. The Contractor must obtain approval from the Department prior to an individual receiving services out of state in accordance with the Department's Out of State policy.

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**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

1.12. The Contractor must provide an electronic copy of its current five-year Area Plan and amendments to the Department.

**1.13. Collaboration with Other Agencies and Systems**

**1.13.1. Community Mental Health Centers**

1.13.1.1. The Contractor must provide documentation that outlines the agreement between the Area Agency and the Community Mental Health Centers (CMHC) departments to coordinate and facilitate processes that include:

1.13.1.1.1. Enrolling individuals for services who are dually eligible; through He-M 505, He-M 401, He-M 503 and He-M 522, to support coordinated service planning and delivery for individuals accessing or seeking to access services from both service systems;

1.13.1.1.2. Screening for transition-aged individuals for the presence of mental health and developmental supports, and refer, link, and support transition plans for youth leaving children's services and entering into adult services;

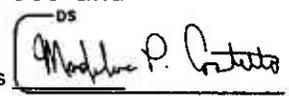
1.13.1.1.3. Following the current and as may be amended Crisis Policy issued by the Department;

1.13.1.1.4. Participating in the discharge planning meetings to assist in the development of community based services for individuals who are discharging from an in-patient behavioral health treatment facility inclusive of New Hampshire Hospital (NHH) and/or Hampstead Hospital and Residential Treatment Facility (HHRTF); and

1.13.1.1.5. An annual training for all intake staff, case managers, service coordinators and other staff identified by the CMHC's, and Area Agencies that addresses intake, eligibility, and case management for individuals that are dually diagnosed.

**1.13.2. No Wrong Door System (NWD)**

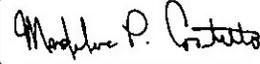
1.13.2.1. The Contractor must operate and maintain the Area Agency as a No Wrong Door (NWD) Partner, creating linkages for individuals seeking services and requiring intake, evaluation, and assessment as outlined in He-M 503 and He-M 522.



**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

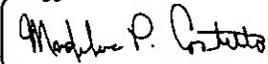
- 1.13.2.2. The Contractor must participate as a partner under the NHCarePath Model by operating as an information and referral partner for individuals who may require or may benefit from Department's community Long-Term Supports and Services (LTSS) programing.
  - 1.13.2.3. The Contractor must ensure that individuals connect to LTSS options that may cover out of pocket costs through other community resources in close coordination with other NHCarePath partners including but not limited to:
    - 1.13.2.3.1. State Designated Aging and Disability Resource Center.
    - 1.13.2.3.2. Community Mental Health Centers.
    - 1.13.2.3.3. The Department.
  - 1.13.2.4. The Contractor must participate in two (2) State-wide meetings and four (4) regional meetings for NHCarePath annually and document participation.
  - 1.13.2.5. The Contractor must follow the NHCarePath Assessment process to provide referrals and linkage to necessary LTSS.
  - 1.13.2.6. The Contractor must monitor the referral process to ensure a transition to the appropriate agency when necessary.
  - 1.13.2.7. The Contractor must follow standardized guidelines established by NHCarePath for providing preliminary screening and referrals for LTSS.
  - 1.13.2.8. The Contractor must utilize and distribute NHCarePath created outreach, education, and awareness materials to potential users of NHCarePath.
- 1.14. Supports Intensity Scale (SIS) Assessments**
- 1.14.1. The Contractor must coordinate with the Department's Supports Intensity Scale Adult® (SIS-A®) Contractor to facilitate the scheduling of an individual's initial supports intensity scale assessment for individuals who do not have a service coordinator.
  - 1.14.2. The Contractor must coordinate with the Department's SIS-A® Contractor to provide funding for accessibility resources, to ensure all assessments are conducted in an accessible manner, including, but not limited to, the use of:
    - 1.14.2.1. Physical accessibility options.
    - 1.14.2.2. Language interpreters.

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**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

- 1.14.2.3. Deaf and hard-of-hearing interpreters.
- 1.14.2.4. Facilitated or augmentative communication devices.
- 1.14.2.5. Cultural competency.
- 1.15. The Contractor must coordinate necessary assessments, including but not limited to risk assessments, related to service planning for individuals who do not have a service coordinator and are not eligible for Medicaid in accordance with He-M 500.
- 1.16. The Contractor must provide services in accordance with He-M 500, Parts 503.03 and 513.
- 1.17. **Family Centered Early Supports and Services (FCESS)**
  - 1.17.1. The Contractor must accept referrals for infants and toddlers from birth through two (2) years of age that currently reside in the Contractor's region seeking services for FCESS in accordance with He-M 500 PART 510.06.
  - 1.17.2. The Contractor must provide high-quality FCESS in accordance with:
    - 1.17.2.1. New Hampshire Administrative Rule He-M 500, Part 510, Family Centered Early Supports and Services, herein referred to as He-M 500, Part 510;
    - 1.17.2.2. The U.S. Department of Education, Office of Special Education Program (OSEP) regulations, including, but not limited to the Individuals with Disabilities Education Act (IDEA) Subchapter III, Infants and Toddlers with Disabilities (Part C); and
    - 1.17.2.3. FCESS current guidance documents, invoice templates as provided and updated by the Department.
  - 1.17.3. The Contractor must submit surrogate parent applications to the Department in accordance with He-M 500, Part He-M 510.18.
  - 1.17.4. The Contractor must conduct a multidisciplinary evaluation, with parental consent, to determine a child's eligibility for FCESS in accordance with He-M 500, Part He-M510.06.
  - 1.17.5. The Contractor must ensure that an Individualized Family Support Plan (IFSP) is developed for each eligible child in accordance with He-M 500, Part He-M 510.07.
  - 1.17.6. The Contractor must ensure services for each eligible child and their family are individualized, family centered and provided in a natural environment in accordance with their IFSP as determined by the IFSP Team in accordance with He-M 500, Part He-M 510.08.

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**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

- 1.17.7. The Contractor must ensure FCESS are provided within the following required timeframes:
- 1.17.7.1. An IFSP is signed no more than 45 days from receipt of referral;
  - 1.17.7.2. All services start no later than the projected start date which is 30-days from the date of developing the IFSP unless the family requests a later date; and
  - 1.17.7.3. All transition requirements must be completed within the required timelines in accordance to He-M 500, Part He-M 510.09
- 1.17.8. The Contractor must ensure professionals are obtained, if needed, to meet each child's needs identified by the IFSP team and services documented within the IFSP inclusive of hearing and vision support, if applicable.
- 1.17.9. The Contractor must ensure that children found eligible for FCESS and their families are provided with access to Family Support as needed, in accordance with He-M 519.
- 1.17.10. The Contractor must collect and submit all FCESS required information in a format provided by the Department. The Contractor must:
- 1.17.10.1. Ensure all FCESS data is accurate, documented, and submitted at a minimum of every 30 days; and
  - 1.17.10.2. Provide any additional data to the Department as requested by the Department.
  - 1.17.10.3. Use the NH DoIT SFTP folder provided by the Department to transmit FCESS information to the Department.
- 1.17.11. The Contractor must ensure FCESS program staff who provide service coordination or work directly with families comply with current personnel development He-M 510.11 and He-M 510.12.
- 1.17.12. The Contractor must ensure all FCESS program staff:
- 1.17.12.1. Maintain licensure or certification as appropriate for their professional discipline;
  - 1.17.12.2. Complete the Orientation program and Child Outcome Summary (COS) and Outcome Development training provided by the Department within six (6) months of hire date in accordance with He-M 510.12; and
  - 1.17.12.3. Complete the Culturally Competent Services and Adult Learning Strategies trainings provided by the Department

*M. P. [Signature]*

**New Hampshire Department of Health and Human Services  
Area Agency**

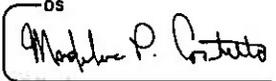
**EXHIBIT B**

within one (1) year of hire date in accordance with He-M 510.12.

- 1.17.13. The Contractor must ensure FCESS training funds are equitably distributed across all FCESS programs within their region.
- 1.17.14. The Contractor and staff must participate in additional professional development activities that improve child outcomes, as determined by the Department, that are described in the State Systematic Improvement Plan.
- 1.17.15. The Contractor must participate in annual program monitoring and provide any information requested by the Department and submit a corrective action plan to address all areas of non-compliance.

**1.18. Family Support**

- 1.18.1. The Contractor must ensure Family Support Services are provided in accordance with He-M 519.
- 1.18.2. The Contractor must provide one (1) full-time family support coordinator or director whose job description is designed jointly by the regional family support council and includes all qualifications and duties outlined in accordance with He-M 519.06, including but not limited to, facilitating the distribution of family support funds approved for distribution by the family support council.
- 1.18.3. The Contractor must provide the current job description and resume for the full-time Family Support Coordinator on an annual basis.
- 1.18.4. The Contractor must ensure family support staff:
  - 1.18.4.1. Explore, identify, and assist families in accessing community resources in accordance with He-M 519.04(b and c); and
  - 1.18.4.2. Solicit support for families from community groups or other sources and maintain records in accordance with He-M 519.06.
- 1.18.5. The Contractor must partner with, initiate referrals to, and promote networking and community building with other systems of family support for individuals and their families including, but not limited to:
  - 1.18.5.1. Bureau of Family Centered Services (BFCS) Health Care Coordination and Nurse Consultation.
  - 1.18.5.2. Family Resource Centers.
  - 1.18.5.3. Childcare and Early Learning Environments.
  - 1.18.5.4. Other community agencies in the region.

  
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New Hampshire Department of Health and Human Services  
Area Agency

**EXHIBIT B**

- 1.18.6. The Contractor must enter into a formal, written agreement with the regional family support council, in accordance with He-M 519.05. The Contractor must provide:
  - 1.18.6.1. An electronic copy to the Department within 45 days of the approved contract and within 30 days of changes;
  - 1.18.6.2. Copies of family support council policies, including all changes; and
  - 1.18.6.3. The regional family support council membership list including all changes to the Department.
    - 1.18.6.3.1. If the Family Support membership does not meet minimum requirements, the Contractor must provide a plan to remediate.
- 1.19. The Contractor must provide respite services in accordance with He-M 513.
- 1.20. The Contractor must participate in meetings with the Department on a monthly basis, or as otherwise requested by the Department, with advance notice of at least two (2) business days.
- 1.21. The Contractor may be required to participate in on-site reviews if requested by the Department.
- 1.22. The Contractor may be required to ensure staff participate in quarterly training as requested by the Department.
- 1.23. Reporting
  - 1.23.1. Utilizing the NH DoIT SFTP folder provided by the Department, the Contractor must submit a quarterly report, due 30 days after the close of the quarter, using a template provided by the Department, which includes, but is not limited to:
    - 1.23.1.1. Unduplicated number of eligible individuals who requested services and the number that have a current Service Agreement.
    - 1.23.1.2. Unduplicated number of families who requested non-waiver respite services and of those families the number of individuals who received non-waiver respite services. Unduplicated number of individuals who received services necessary to transition to adult services.
    - 1.23.1.3. Unduplicated number of individuals and their families participating in Family Support Council events, activities or receiving Family Support Council funds.
    - 1.23.1.4. Unduplicated number of eligible individuals who were assisted with accessing and applying for community

*Madeline P. Grotto*

**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

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resources, services, and/or public programs available to them.

- 1.23.1.5. Activities conducted to support coordinated service planning and delivery for individuals accessing or wishing to access services from Area Agency and CMHC service systems.
- 1.23.1.6. Number and description of the community outreach, education and development activities completed that promote understanding and support for families as well as individuals with disabilities.
- 1.23.1.7. A Crisis Report per the Department's Crisis Report policy on the prescribed Crisis Report template.
- 1.23.1.8. Number of individuals seeking out-of-state (OOS) services during the reporting period.
- 1.23.1.9. Unduplicated number of individuals who were provided funding for accessibility resources for completion of the Supports Intensity Assessment.
- 1.23.2. Utilizing the NH DoIT SFTP folder provided by the Department, the Contractor must submit an annual report using a template provided by the Department, which includes, but is not limited to:
  - 1.23.2.1. Number of trainings conducted for the Community Mental Health Centers and Area Agencies.
  - 1.23.2.2. The annual accomplishments of the Five Year Area Plan and amendments.
  - 1.23.2.3. A description of how individuals and families were assisted in accessing community resources and supports.
  - 1.23.2.4. A description of how individuals, families, and the community were involved in the planning and provision of services.
  - 1.23.2.5. A description of NHCarePath activities highlighting the partnerships for individual referrals and linkages with necessary long-term supports and services.
- 1.23.3. The Contractor must achieve the following performance measures:
  - 1.23.3.1. 70% of individuals and/or their families, completing an annual survey, indicated satisfaction with family support services; and
  - 1.23.3.2. At least 75% of training participants report improved/increased awareness of services when supporting individuals who are dually eligible for Area Agency and

*M. P. Costello*

**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

CMHC services.

- 1.23.4. The Contractor must engage in reporting solutions to achieve continuous improvements when barriers have been identified for meeting the performance measures as outlined in the contract.
- 1.23.5. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.
- 1.24. Continuity of Operations and Disaster Recovery Plans
  - 1.24.1. The Contractor must provide the Department with a digital Continuity of Operations Plan (COOP) draft for the Department's review and approval. The COOP must demonstrate that the Contractor can continue their responsibilities under this Agreement during a wide range of emergencies, explaining how it will proceed during an emergency. The Contractor must work with the Department to mitigate any gaps it identifies within the draft COOP. Once the Department approves the draft, the Contractor must provide the Department with a final digital copy. Contractor must update the COOP as needed or at the request of the Department throughout the term of this Agreement.
  - 1.24.2. The Contractor must provide the Department with a digital Disaster Recovery Plan (DRP) draft for the Department's review and approval. The DRP must describe the measures the Contractor takes in response to an event that requires the DRP to be enacted, and return to safe, normal operations as quickly as possible. The Contractor must work with the Department to mitigate any gaps it identifies within the draft DRP. Once the Department approves the draft, the Contractor must provide the Department with a final digital copy. Contractor must update the DRP as needed or at the request of the Department throughout the term of this Agreement.
- 1.25. Maintenance of Fiscal Integrity
  - 1.25.1. The Contractor must submit the following financial statements to the Department within thirty (30) calendar days after the end of each month:
    - 1.25.1.1. Balance Sheet for the Contractor's entire organization including all related parties.
    - 1.25.1.2. Year-to-date Profit and Loss Statement for the Contractor's entire organization that includes, for all related parties:
      - 1.25.1.2.1. All revenue sources and expenditures; and
      - 1.25.1.2.2. A budget column allowing for budget to actual analysis.

New Hampshire Department of Health and Human Services  
Area Agency

**EXHIBIT B**

- 1.25.1.3. Year-to-date Profit and Loss Statement for the Program funded under this Agreement that includes:
  - 1.25.1.3.1. All revenue sources and all related expenditures for the Program; and
  - 1.25.1.3.2. A budget column allowing for budget to actual analysis.
- 1.25.1.4. Year-to-date Cash Flow Statement for the Contractor's entire organization including all related parties.
- 1.25.2. The Contractor must ensure all financial statements are prepared based on the accrual method of accounting and include all the Contractor's total revenues and expenditures, whether or not generated by or resulting from funds provided pursuant to this Agreement.
- 1.25.3. The Contractor's fiscal integrity will be evaluated by the Department using the following Formulas and Performance Standards:
  - 1.25.3.1. Days of Cash on Hand:
    - 1.25.3.1.1. Definition: The days of operating expenses that can be covered by the unrestricted cash on hand.
    - 1.25.3.1.2. Formula: Cash, cash equivalents and short-term investments divided by total operating expenditures, less depreciation/amortization and in-kind plus principal payments on debt divided by days in the reporting period. The short-term investments as used above must mature within three (3) months and should not include common stock.
    - 1.25.3.1.3. Performance Standard: The Contractor shall have enough cash and cash equivalents to cover expenditures for a minimum of thirty (30) calendar days with no variance allowed.
  - 1.25.3.2. Current Ratio:
    - 1.25.3.2.1. Definition: A measure of the Contractor's total current assets available to cover the cost of current liabilities.
    - 1.25.3.2.2. Formula: Total current assets divided by total current liabilities.

New Hampshire Department of Health and Human Services  
Area Agency

**EXHIBIT B**

1.25.3.2.3. Performance Standard: The Contractor shall maintain a minimum current ratio of 1.5:1, with 10% variance allowed.

1.25.3.3. Debt Service Coverage Ratio:

1.25.3.3.1. Rationale: This ratio illustrates the Contractor's ability to cover the cost of its current portion of its long-term debt.

1.25.3.3.2. Definition: The ratio of net income to the year-to-date debt service.

1.25.3.3.3. Formula: 
$$\frac{\text{Net Income plus depreciation/amortization expense plus interest expense}}{\text{year-to-date debt service (principal and interest) over the next twelve (12) months}}$$

1.25.3.3.4. Source of Data: The Contractor's monthly financial statements identifying current portion of long-term debt payments (principal and interest).

1.25.3.3.5. Performance Standard: The Contractor shall maintain a minimum standard of 1.2:1, with no variance allowed.

1.25.3.4. Net Assets to Total Assets:

1.25.3.4.1. Rationale: This ratio is an indication of the Contractor's ability to cover its liabilities.

1.25.3.4.2. Definition: The ratio of the Contractor's net assets to total assets.

1.25.3.4.3. Formula: 
$$\frac{\text{Net assets (total assets less total liabilities)}}{\text{total assets}}$$

1.25.3.4.4. Source of Data: The Contractor's monthly financial statements.

1.25.3.4.5. Performance Standard: The Contractor shall maintain a minimum ratio of .30:1, with a 20% variance allowed.

1.25.4. If the Contractor does not meet either:

1.25.4.1. The Days of Cash on Hand Performance Standard and the Current Ratio Performance Standard for two (2) consecutive months; or

**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

- 1.25.4.2. Three or more of any of the Performance Standards for one month, or any one Performance Standard for three (3) consecutive months, then:
  - 1.25.4.3. The Contractor must:
    - 1.25.4.3.1. Meet with Department staff to explain the reasons that the Contractor has not met the standards; and/or
    - 1.25.4.3.2. Submit a comprehensive corrective action plan within thirty (30) calendar days of receipt of notice from the Department.
  - 1.25.5. The Contractor must update and submit the corrective action plan to the Department, at least every thirty (30) calendar days, until compliance is achieved. The Contractor must:
    - 1.25.5.1. Provide additional information to ensure continued access to services as requested by the Department and ensure requested information is submitted to the Department in a timeframe agreed upon by both parties.
  - 1.25.6. The Contractor must inform the Department by phone and by email within five (5) calendar days of when any key Contractor staff learn of any actual or likely litigation, investigation, complaint, claim, or transaction that may reasonably be considered to have a material financial impact on and/or materially impact or impair the ability of the Contractor to perform under this Agreement with the Department.
- 1.26. Background Checks
- 1.26.1. The Contractor must complete criminal background checks, at the Contractor's expense, for all staff engaged in supporting this contract as well as Bureau of Adult and Aging Services (BAAS) and Division of Children, Youth and Families (DCYF) state registry checks for all staff who have direct contact with individuals, prior to the staff beginning work, as directed by any federal or state laws, additional background checks may be required.
  - 1.26.2. The Contractor must provide an attestation to the Department, within 60 days of the contract effective date, that states all contract workforce members engaged in this contract have successfully passed their criminal background check and Bureau of Adult and Aging Services (BAAS) and Division of Children, Youth and Families (DCYF) state registry checks and that if it is discovered a Contractor workforce member is no longer eligible to engage in contract support based upon the background checks requirement they will immediately remove that individual from providing services under

*Matthew P. Costello*

**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

this Agreement and inform the Department.

**1.27. Confidential Data**

- 1.27.1. The Contractor must meet all information security and privacy requirements as set by the Department and in accordance with the Department's Information Security Requirements Exhibit as referenced below.
- 1.27.2. The Contractor must ensure any individuals involved in delivering services through this Agreement sign an attestation agreeing to access, view, store, and discuss Confidential Data in accordance with federal and state laws and regulations and the Department's Information Security Requirements Exhibit. The Contractor must ensure said individuals have a justifiable business need to access Confidential Data. The Contractor must provide attestations upon Department request.

**1.28. Privacy Impact Assessment**

- 1.28.1. 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:
  - 1.28.1.1. How PII is gathered and stored;
  - 1.28.1.2. Who will have access to PII;
  - 1.28.1.3. How PII will be used in the system;
  - 1.28.1.4. How individual consent will be achieved and revoked; and
  - 1.28.1.5. Privacy practices.
- 1.28.2. 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.

**1.29. Department Owned Devices, Systems and Network Usage**

- 1.29.1. Contractor End Users, defined in the Department's Information Security Requirements Exhibit that is incorporated into this Agreement, authorized by the Department's Information Security Office to use a Department issued device (e.g. computer, tablet,

*Matthew P. Costello*

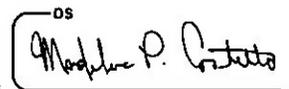
**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

mobile telephone) or access the Department network in the fulfillment of this Agreement, must:

- 1.29.1.1. Sign and abide by applicable Department and New Hampshire Department of Information Technology (NH DoIT) use agreements, policies, standards, procedures and guidelines, and complete applicable trainings as required;
- 1.29.1.2. Use the information that they have permission to access solely for conducting official Department business and agree that all other use or access is strictly forbidden including, but not limited, to personal or other private and non-Department use, and that at no time shall they access or attempt to access information without having the express authority of the Department to do so;
- 1.29.1.3. Not access or attempt to access information in a manner inconsistent with the approved policies, procedures, and/or agreement relating to system entry/access;
- 1.29.1.4. Not copy, share, distribute, sub-license, modify, reverse engineer, rent, or sell software licensed, developed, or being evaluated by the Department, and at all times must use utmost care to protect and keep such software strictly confidential in accordance with the license or any other agreement executed by the Department;
- 1.29.1.5. Contractor agrees, if any End User is found to be in violation of any of the above terms and conditions, said End User may face removal from the Agreement, and/or criminal and/or civil prosecution, if the act constitutes a violation of law.
- 1.29.1.6. Contractor agrees to notify the Department a minimum of three business days prior to any upcoming transfers or terminations of End Users who possess Department credentials and/or badges or who have system privileges. If End Users who possess Department credentials and/or badges or who have system privileges resign or are dismissed without advance notice, the Contractor agrees to notify the Department's Information Security Office or designee immediately.

1.29.2. Workspace Requirement

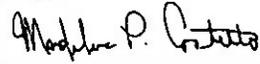
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**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

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- 1.29.2.1. If applicable, the Department will work with Contractor to determine requirements for providing necessary workspace and State equipment for its End Users.
- 1.30. Contract End-of-Life Transition Services
  - 1.30.1. General Requirements
    - 1.30.1.1. If applicable, upon early termination or expiration of the Agreement the parties agree to cooperate in good faith to effectuate a secure transition of the services ("Transition Services") from the Contractor to the Department and, if applicable, the new Contractor ("Recipient") engaged by the Department to assume the services. Ninety (90) days prior to the end-of the contract or unless otherwise specified by the Department, the Contractor must begin working with the Department and if applicable, the Recipient to develop a Data Transition Plan (DTP). The Department shall provide the DTP template to the Contractor.
    - 1.30.1.2. The Contractor must assist the Recipient, in connection with the transition from the performance of Services by the Contractor and its End Users to the performance of such Services. This may include assistance with the secure transfer of records (electronic and hard copy), transition of historical data (electronic and hard copy), the transition of any such Service from the hardware, software, network and telecommunications equipment and internet-related information technology infrastructure ("Internal IT Systems") of Contractor to the Internal IT Systems of the Recipient and cooperation with and assistance to any third-party consultants engaged by Recipient in connection with the Transition Services.
    - 1.30.1.3. 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.
    - 1.30.1.4. 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

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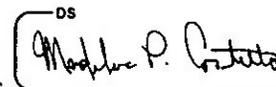
**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

manner. Any such Transition Services shall be deemed to be Services for purposes of this Agreement.

- 1.30.1.5. In the event the data Transition extend beyond the end of the Agreement, the Contractor agrees that the Information Security Requirements, and if applicable, the Department's Business Associate Agreement terms and conditions remain in effect until the Data Transition is accepted as complete by the Department.
  - 1.30.1.6. In the event the Contractor has comingled Department Data and the destruction or Transition of said data is not feasible, the Department and Contractor will jointly evaluate regulatory and professional standards for retention requirements prior to destruction, refer to the terms and conditions of the Department's DHHS Information Security Requirements Exhibit.
- 1.30.2. Completion of Transition Services
- 1.30.2.1. Each service or transition phase shall be deemed completed (and the transition process finalized) at the end of fifteen (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 fifteen (15) business day term the Contractor notifies the Department of an issue requiring additional time to complete said product.
  - 1.30.2.2. Once all parties agree the data has been migrated the Contractor will have thirty (30) days to destroy the data per the terms and conditions of the Department's Information Security Requirements Exhibit.
- 1.30.3. Disagreement over Transition Services Results
- 1.30.3.1. In the event the Department is not satisfied with the results of the Transition Service, the Department shall notify the Contractor, in writing, stating the reason for the lack of satisfaction within fifteen (15) business days of the final product or at any time during the data Transition process. The Parties shall discuss the actions to be taken to resolve the disagreement or issue. If an agreement is not reached, at any time the Department shall be entitled to initiate actions in accordance with the Agreement.

1.31. Website and Social Media

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**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

- 1.31.1. 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 Department of Information Technology (DoIT) website and social media requirements and policies.
- 1.31.2. 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 the terms of the Department's Information Security Requirements Exhibit, the Business Associate Agreement signed by the parties, and all applicable Department and federal law, rules, and agreements. Unless specifically required by the Agreement 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.
- 1.31.3. State of New Hampshire's Website Copyright
  - 1.31.3.1. 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.

**2. Exhibits Incorporated**

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

**3. Additional Terms**

**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

**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:

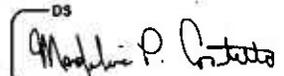
3.2.1.1. A detailed description of the language assistance services, within 45 days of the Effective Date of the Agreement, to be provided to ensure meaningful access to programs and/or services to individuals with limited English proficiency; individuals who are deaf or have hearing loss; individuals who are blind or have low vision; and individuals who have speech challenges.

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

3.2.1.3. The Department's Federal Civil Rights Compliance Checklist within 45 days of the Effective Date of the Agreement. The Federal Civil Rights Compliance Checklist must have been completed within the last 12 months and is accessible on the Department's website (<https://www.dhhs.nh.gov/doing-business-dhhs/civil-right-compliance-dhhs-vendors>).

**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



**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

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 that reference the Department including but not limited to: reports, publications, advertisements, promotional materials, letters must receive prior written approval before the dissemination or use.
- 3.3.3. The Department must retain copyright ownership for any and all original materials produced, including, but not limited to reports, protocols, guidelines, brochures, posters, and resource directories.
- 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.

**3.5. Eligibility Determinations**

- 3.5.1. The Contractor must make eligibility determinations in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
- 3.5.2. The Contractor must ensure all applicants are permitted to fill out an application form and must notify each applicant of their right to request a fair hearing in accordance with New Hampshire RSA 126-A:5 and Department regulations.

**4. Records**

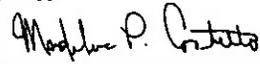
- 4.1. The Contractor must keep records that include, but are not limited to:

**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT B**

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- 4.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.
- 4.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 4.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records must include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 4.1.4. Medical records on each patient/recipient of services.
- 4.2. During the term of this Agreement and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives must have access to all reports and records maintained pursuant to the Agreement for purposes of audit, examination, excerpts and transcripts.
- 4.3. If, upon further review, the Department must disallow any expenses claimed by the Contractor as costs hereunder, the Department retains the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

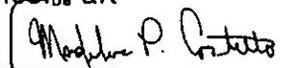
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**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT C**

**Payment Terms**

1. This Agreement is funded by:
  - 1.1. 3% Federal funds; Special Education Grants for Infants and Toddlers/Families, as awarded on July 1, 2023, by the U.S. Department of Education, Office of Special Education and Rehabilitative Services, ALN #84.181A, FAIN #H181A230127.
  - 1.2. 97% General funds.
2. For the purposes of this Agreement the Department has identified:
  - 2.1. The Contractor as a Subrecipient, based on criteria specified in 2 CFR 200.331.
  - 2.2. The Agreement as NON-R&D, in accordance with 2 CFR 200.332.
  - 2.3. The Indirect Cost Rate for this Agreement in the attached Budget Sheet(s).
3. Payment shall be on a cost reimbursement basis for actual allowable expenditures incurred under this Agreement, and shall be in accordance with the approved line items, as specified in Exhibits C-1, Budget through C-5, Budget.
4. Funds must be used in accordance with the provisions of the specified ALN numbers above.
5. **Billing for Services Covered Under Medicaid**
  - 5.1. The parties acknowledge that the Contractor must bill certain Medicaid qualified services, described in this Agreement, through the Department-approved Medicaid billing process external to this Agreement, for Medicaid recipients served under this Agreement.
  - 5.2. Medicaid funding is separate and apart from the funding sources provided under this Agreement, as stated in Section 1, above, in this Exhibit C. As such, there can be no transfers between Medicaid funding and funding for this Agreement without the appropriate Department approvals, according to Federal and State laws, rules, or regulations.
6. **Payment Terms Respective to the following contract services**
  - 6.1. Family Centered Early Supports and Services (FCESS) (Exhibits C-1 through C-3)
    - 6.1.1. FCESS State Early Intervention General Funds and Federal Part C Funds (Exhibits C-1 and C-2)
      - 6.1.1.1. The Contractor must ensure private insurance, and state funds, are billed in accordance with He-M 500, Part 510.14, Utilization of Public and Private Insurance, Part

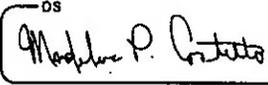


**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT C**

C federal funds follow Medicaid in accordance with 34 CFR §303.510 Payor of Last Resort.

- 6.1.1.2. The Contractor must obtain consent from families with both Private and Medicaid insurance prior to billing.
- 6.1.1.3. The Contractor's invoice must be net any other revenue received towards the services billed in fulfillment of FCESS State Early Intervention and Federal Part C Funding provisions of this Agreement.
- 6.1.1.4. The Contractor must include the following information with their invoice in a format provided by the Department:
  - 6.1.1.4.1. Name of individual served;
  - 6.1.1.4.2. Date of Birth;
  - 6.1.1.4.3. Insurance type and permission to bill;
  - 6.1.1.4.4. Date of service provided;
  - 6.1.1.4.5. Service provided;
  - 6.1.1.4.6. Provider name;
  - 6.1.1.4.7. Direct hours;
  - 6.1.1.4.8. Mileage; and
  - 6.1.1.4.9. Insurance revenue.
- 6.1.1.5. The Contractor must ensure:
  - 6.1.1.5.1. Part C Federal funds are used for providing direct services (i.e. speech, occupational therapy, Vision, Service Coordination, assessments, etc.) and training in accordance with 34 CFR §303.510;
  - 6.1.1.5.2. Part C Federal funds are necessary, reasonable, and allocable to provide direct services in accordance with 34 CFR §200.403;
  - 6.1.1.5.3. Services are determined by the IFSP and are not reimbursable by any other Federal, State, or private source;
  - 6.1.1.5.4. Expenses incurred when providing direct services to infants and toddlers without Medicaid

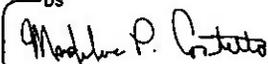
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**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT C**

must be prorated based on the percentage of infants and toddlers served without Medicaid.

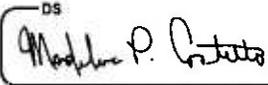
- 6.1.1.6. The Contractor must ensure other local funds received to support FCESS program and services are reported to the Department including, but not limited to:
  - 6.1.1.6.1. Grant opportunities.
  - 6.1.1.6.2. Fundraising opportunities and activities.
  - 6.1.1.6.3. Donations.
- 6.1.1.7. The Contractor may invoice for any cost that is necessary and reasonable to the operations of the program and services provided to children that is not reimbursable by Medicaid revenue offset.
- 6.1.2. Regional FCESS Training (Exhibit C-2)
  - 6.1.2.1. The Contractor agrees that FCESS training funds are split between all programs to ensure that FCESS Service Coordinators and Service Providers are current on best- and evidence-informed practices in accordance with Exhibit B, Scope of Services, Section 1.17.13.
  - 6.1.2.2. Documentation of paid expenses (i.e. receipt) and attendance (i.e. certificate or sign in sheet) is required for reimbursements.
- 6.1.3. FCESS Hearing and Vision (Exhibit C-3)
  - 6.1.3.1. The Contractor must ensure FCESS Hearing and Vision funds are accessible to all programs as needed to meet increased costs of professionals for service needs identified in a child's IFSP In accordance with Exhibit B, Scope of Services, Section 1.17.8.
- 6.1.4. The Contractor must invoice for these services on a template provided by the Department.
- 6.2. Family Support Council (Exhibit C-4)
  - 6.2.1. The Contractor must ensure payments for Family Support Council funds are made in accordance with 6.2.2 below.
  - 6.2.2. Allowable uses of Family Support Council funds that are approved for distribution by the Family Support Council, and subsequently approved by the Contractor in accordance with He-M 519 and Exhibit B, Scope of Services, Section 1.18 are limited to direct support to families, in accordance with He-M 519.04 and 519.06, which may include the following:

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**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT C**

- 6.2.2.1. Assistance related to crisis intervention/stabilization;
  - 6.2.2.2. Family networking events held by the council;
  - 6.2.2.3. Costs associated with families' attendance at Family Support Council meetings such as parent stipends and refreshments;
  - 6.2.2.4. Respite care;
  - 6.2.2.5. Environmental modifications;
  - 6.2.2.6. Inclusive social and recreational opportunities for the individual;
  - 6.2.2.7. Families' participation in conferences and workshops as requested;
  - 6.2.2.8. Financial assistance provided that is related to supporting a family to care of an individual member in the family home; and
  - 6.2.2.9. Contribution to the salary of the Family Support Coordinator in full or a portion thereof.
- 6.2.3. Pre-payments can be invoiced in circumstances where the Contractor was required to pay in advance for goods and services including but not limited to camperships, environmental modifications, conferences, and crisis intervention on behalf of individuals and families. This is the only exception for cost reimbursement.
- 6.3. General Funds (Exhibit C-5)
- 6.3.1. Allowable use of General Funds includes the following:
    - 6.3.1.1. One full time Family Support Coordinator and their travel costs;
    - 6.3.1.2. Case Management Staff salaries, benefits and travel costs for family supports services provided to individuals who are not eligible for Medicaid and their families;
    - 6.3.1.3. Information and referral, assistance to identify and assess a families' own strengths, needs and goals;
    - 6.3.1.4. Identification of and assistance to access community resources and supports;
    - 6.3.1.5. Training and conference attendance of family support staff;
    - 6.3.1.6. Assistance to access respite care;

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Matthew P. Costello

**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT C**

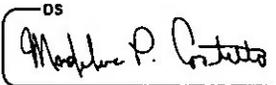
- 6.3.1.7. Collaboration with other agencies and systems:
    - 6.3.1.7.1. Community Mental Health Centers.
    - 6.3.1.7.2. No Wrong Door.
    - 6.3.1.7.3. SIS Accessibility Supports.
    - 6.3.1.7.4. Assessment Funding for Service planning.
  - 6.3.1.8. Assistance to individuals not covered by Medicaid or alternative funding sources for services including, but not limited to:
    - 6.3.1.8.1. Evaluations.
    - 6.3.1.8.2. Emergency medications.
    - 6.3.1.8.3. Assessments.
    - 6.3.1.8.4. Short term crisis supports.
  - 6.3.1.9. Other expenses with pre-approval from the Department.
7. The Contractor may be eligible to receive payments to address other costs in the fulfillment of this Agreement at the Department's discretion. The Contractor must obtain pre-approval for the expenses via a form of submission satisfactory to the Department with applicable justifications.
  8. The Department may withhold, in whole or in part, any contract payment for the ensuing contract period:
    - 8.1. Until the Contractor submits programmatic and financial reports identified in Exhibit B to the Department's satisfaction. Summary of Revenues and Expenditures and Balance Sheet reports must be based on the accrual method of accounting and include the Contractor's total revenue and expenditures, whether or not generated by, or resulting from, State funding.
    - 8.2. Until the Contractor submits, to the Department's satisfaction, a plan of action to correct material findings noted in a Department Financial Review, in Exhibit B, Section 1.25.
    - 8.3. If routine Department monitoring, a Quality Assurance Survey, or Department Financial Reviews find corrective actions for previous site surveys or financial reviews have not been implemented in accordance with the Contractor's Correction Action Plan(s) or to the Department's satisfaction.
  9. The Contractor must submit to the Department, within the timelines established by the Department, any and all data and reports required by the Department.
  10. The Contractor must submit an invoice for the services identified in Section 6, with the contract report and supporting documentation to the Department no

**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT C**

later than the 30<sup>th</sup> day of the month following the month in which the services were provided. The Contractor must ensure each invoice:

- 10.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
- 10.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
- 10.3. Identifies and requests payment for allowable costs incurred in the previous month.
- 10.4. Includes supporting documentation with each invoice, including, but not limited to, proof of expenditures, itemized receipts for purchases, time sheets, and payroll records with position or staff detail, as applicable.
- 10.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.
- 10.6. Is assigned an electronic signature, includes the contract report and supporting documentation. All documentation is submitted to the Departments sFTP site and notification of the submission is emailed to [dhhs.bdsinvoices@dhhs.nh.gov](mailto:dhhs.bdsinvoices@dhhs.nh.gov).
11. The Department shall make payments to the Contractor within thirty (30) calendar days only upon receipt and approval of a completed invoice that includes all required supporting documentation.
12. The final invoice and any required supporting documentation shall be due to the Department no later than forty (40) calendar days after the contract completion date specified in Form P-37, General Provisions Block 1.7., Completion Date.
13. Notwithstanding Paragraph 18, of the General Provisions Form P-37, changes limited to adjusting direct and indirect cost amounts within the price limitation between budget class lines, as well as adjusting encumbrances between State Fiscal Years through the Budget Office, may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
14. Audits
  - 14.1. The Contractor must email an annual audit to [dhhs.act@dhhs.nh.gov](mailto:dhhs.act@dhhs.nh.gov) if any of the following conditions exist:
    - 14.1.1. Condition A - The Contractor is subject to a Single Audit pursuant to 2 CFR 200.501 Audit Requirements.
    - 14.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b.

A handwritten signature in black ink, appearing to read "Matthew P. Costello", is written over a rectangular box with "DS" in the top right corner.

**New Hampshire Department of Health and Human Services  
Area Agency**

**EXHIBIT C**

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- 14.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
- 14.2. 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.
- 14.2.1. 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.
- 14.3. 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.
- 14.4. The Contractor, regardless of the funding source and/or whether Conditions A, B, or C exist, may be required to submit annual financial audits performed by an independent CPA upon request by the Department.
- 14.5. In addition to, and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department all payments made under the Agreement to which exception has been taken, or which have been disallowed because of such an exception, within sixty (60) days.
15. If applicable, the Contractor must request disposition instructions from the Department for any equipment, as defined in 2 CFR 200.313, purchased using funds provided under this Agreement, including information technology systems.

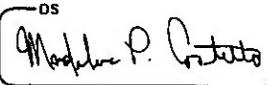
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Exhibit C-1, Budget

New Hampshire Department of Health and Human Services						
Contractor Name: <i>Northern Human Services-Region 1</i>						
Budget Request for: <i>Area Agency - ESS Gen Funds</i>						
Average Indirect Cost Rate (if applicable) 0%						
Line Item	SFY26 (7/1/25-6/30/26)			SFY27 (7/1/26-6/30/27)		
	Total Program Cost	Program Cost - Contractor Share/ Match	Program Cost - Funded by DHHS	Total Program Cost	Program Cost - Contractor Share/ Match	Program Cost - Funded by DHHS
1. Salary & Wages	\$547,281	\$540,000	\$7,281	\$547,281	\$540,000	\$7,281
2. Fringe Benefits	\$111,372	\$110,000	\$1,372	\$111,372	\$110,000	\$1,372
3. Consultants	\$2,000	\$1,700	\$300	\$2,000	\$1,700	\$300
4. Equipment <i>Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.</i>			\$0			\$0
5.(a) Supplies - Educational	\$500	\$400	\$100	\$500	\$400	\$100
5.(b) Supplies - Lab			\$0			\$0
5.(c) Supplies - Pharmacy			\$0			\$0
5.(d) Supplies - Medical			\$0			\$0
5.(e) Supplies - Office	\$3,000	\$2,500	\$500	\$3,000	\$2,500	\$500
6. Travel	\$58,900	\$58,900	\$0	\$58,900	\$58,900	\$0
7. Software	\$3,300	\$2,800	\$500	\$3,300	\$2,800	\$500
8. (a) Other - Marketing/Communications	\$500	\$400	\$100	\$500	\$400	\$100
8. (b) Other - Education and Training/Development	\$3,000	\$3,000	\$0	\$3,000	\$3,000	\$0
8. (c) Other - Other (specify below)						
<i>Other - Occupancy</i>	\$9,480	\$7,000	\$2,480	\$9,480	\$7,000	\$2,480
<i>Other - Communications - Cell phones</i>	\$8,800	\$7,500	\$1,300	\$8,800	\$7,500	\$1,300
<i>Other - Interpreter Services</i>	\$1,500	\$1,000	\$500	\$1,500	\$1,000	\$500
<i>Other (please specify)</i>			\$0			\$0
<i>Other (please specify)</i>			\$0			\$0
<i>Other (please specify)</i>			\$0			\$0
<i>Other (please specify)</i>			\$0			\$0
<i>Other (please specify)</i>			\$0			\$0
9. Subrecipient Contracts	\$106,635	\$99,125	\$7,510	\$106,635	\$99,125	\$7,510
<b>Total Direct Costs</b>	<b>\$856,268</b>	<b>\$834,325</b>	<b>\$21,943</b>	<b>\$856,268</b>	<b>\$834,325</b>	<b>\$21,943</b>
<b>Total Indirect Costs</b>	<b>\$128,500</b>	<b>\$128,500</b>	<b>\$0</b>	<b>\$128,500</b>	<b>\$128,500</b>	<b>\$0</b>
	15%			15%		
<b>Subtotals</b>	<b>\$984,768</b>	<b>\$962,825</b>	<b>\$21,943</b>	<b>\$984,768</b>	<b>\$962,825</b>	<b>\$21,943</b>
				<b>TOTAL</b>	<b>\$43,886</b>	

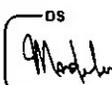
  
 Contractor Initials  
 Date 5/27/2025

Exhibit C-2, Budget

New Hampshire Department of Health and Human Services						
Contractor Name: <i>Northern Human Services-Region 1</i>						
Budget Request for: <i>Area Agency - Part C</i>						
Average Indirect Cost Rate (if applicable) 0%						
Line Item	SFY26 (7/1/25-6/30/26)			SFY27 (7/1/26-6/30/27)		
	Total Program Cost	Program Cost - Contractor Share/ Match	Program Cost - Funded by DHHS	Total Program Cost	Program Cost - Contractor Share/ Match	Program Cost - Funded by DHHS
1. Salary & Wages	\$10,793	\$2,573	\$8,220	\$10,793	\$2,573	\$8,220
2. Fringe Benefits	\$2,196	\$1,000	\$1,196	\$2,196	\$1,000	\$1,196
3. Consultants	\$500	\$500	\$0	\$500	\$500	\$0
4. Equipment <i>Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.</i>			\$0			\$0
5.(a) Supplies - Educational	\$500	\$500	\$0	\$500	\$500	\$0
5.(b) Supplies - Lab			\$0			\$0
5.(c) Supplies - Pharmacy			\$0			\$0
5.(d) Supplies - Medical			\$0			\$0
5.(e) Supplies - Office			\$0			\$0
6. Travel	\$3,500	\$2,500	\$1,000	\$3,500	\$2,500	\$1,000
7. Software			\$0			\$0
8. (a) Other - Marketing/Communications			\$0			\$0
8. (b) Other - Education and Training	\$1,500	\$1,500	\$0	\$1,500	\$1,500	\$0
8. (c) Other - Other (specify below)						
<i>Other -</i>			\$0			\$0
<i>Other (please specify)</i>			\$0			\$0
<i>Other (please specify)</i>			\$0			\$0
<i>Other (please specify)</i>			\$0			\$0
<i>Other (please specify)</i>			\$0			\$0
<i>Other (please specify)</i>			\$0			\$0
<i>Other (please specify)</i>			\$0			\$0
<i>Other (please specify)</i>			\$0			\$0
9. Subrecipient Contracts	\$8,019	\$7,000	\$1,019	\$8,019	\$7,000	\$1,019
<b>Total Direct Costs</b>	<b>\$27,008</b>	<b>\$15,573</b>	<b>\$11,435</b>	<b>\$27,008</b>	<b>\$15,573</b>	<b>\$11,435</b>
<b>Total Indirect Costs</b>			\$0			\$0
<b>Subtotals</b>	<b>\$27,008</b>	<b>\$15,573</b>	<b>\$11,435</b>	<b>\$27,008</b>	<b>\$15,573</b>	<b>\$11,435</b>
				<b>TOTAL</b>		<b>\$22,870</b>

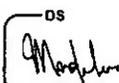
  
 Contractor Initials  
 Date 5/27/2025

Exhibit C-3, Budget

New Hampshire Department of Health and Human Services				
Contractor Name: Northern Human Services-Region 1				
Budget Request for: Area Agency - Hearing & Vision, H&V				
Average Indirect Cost Rate (if applicable) 0%				
Line Item	SFY26 (7/1/25-6/30/26)		SFY27 (7/1/26-6/30/27)	
	Total Program Cost	Program Cost - Funded by DHHS	Total Program Cost	Program Cost - Funded by DHHS
1. Salary & Wages		\$0		\$0
2. Fringe Benefits		\$0		\$0
3. Consultants		\$0		\$0
4. Equipment <i>Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.</i>		\$0		\$0
5.(a) Supplies - Educational		\$0		\$0
5.(b) Supplies - Lab		\$0		\$0
5.(c) Supplies - Pharmacy		\$0		\$0
5.(d) Supplies - Medical		\$0		\$0
5.(e) Supplies - Office		\$0		\$0
6. Travel		\$0		\$0
7. Software		\$0		\$0
8. (a) Other - Marketing/Communications		\$0		\$0
8. (b) Other - Education and Training		\$0		\$0
8. (c) Other - Other (specify below)				
Other (please specify)		\$0		\$0
Other (please specify)		\$0		\$0
Other (please specify)		\$0		\$0
Other (please specify)		\$0		\$0
Other (please specify)		\$0		\$0
Other (please specify)		\$0		\$0
Other (please specify)		\$0		\$0
Other (please specify)		\$0		\$0
9. Subrecipient Contracts	\$20,000	\$20,000	\$20,000	\$20,000
<b>Total Direct Costs</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>
<b>Total Indirect Costs</b>		\$0		\$0
<b>Subtotals</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>
			<b>TOTAL</b>	<b>\$40,000</b>

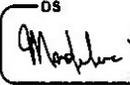
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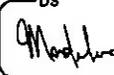
Exhibit C-4, Budget

New Hampshire Department of Health and Human Services				
Contractor Name: Northern Human Services-Region 1				
Budget Request for: Area Agency - Family Support Council, FSC				
Average Indirect Cost Rate (if applicable) 15%				
Line Item	SFY26 (7/1/25-6/30/26)		SFY27 (7/1/26-6/30/27)	
	Total Program Cost	Program Cost Funded by DHHS	Total Program Cost	Program Cost Funded by DHHS
1. Salary & Wages		\$0		\$0
2. Fringe Benefits		\$0		\$0
3. Consultants		\$0		\$0
4. Equipment <i>Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.</i>		\$0		\$0
5.(a) Supplies - Educational		\$0		\$0
5.(b) Supplies - Lab		\$0		\$0
5.(c) Supplies - Pharmacy		\$0		\$0
5.(d) Supplies - Medical		\$0		\$0
5.(e) Supplies - Office		\$0		\$0
6. Travel		\$0		\$0
7. Software		\$0		\$0
8. (a) Other - Marketing/Communications		\$0		\$0
8. (b) Other - Education and Training		\$0		\$0
8. (c) Other - Other (specify below)				
<i>Other - Crisis Intervention-Stabilization</i>	\$500	\$500	\$500	\$500
<i>Other - Family Networking</i>	\$1,000	\$1,000	\$1,000	\$1,000
<i>Other - FSC Activities and Events</i>	\$1,500	\$1,500	\$1,500	\$1,500
<i>Other - Respite</i>	\$30,000	\$30,000	\$30,000	\$30,000
<i>Other - EMODS</i>	\$1,000	\$1,000	\$1,000	\$1,000
<i>Other - Social &amp; Recreational</i>	\$20,000	\$20,000	\$20,000	\$20,000
<i>Other - Conference &amp; Workshops</i>	\$9,000	\$9,000	\$9,000	\$9,000
<i>Other - Financial Assistance</i>	\$34,172	\$34,172	\$34,172	\$34,172
9. Subrecipient Contracts		\$0		\$0
<b>Total Direct Costs</b>	<b>\$97,172</b>	<b>\$97,172</b>	<b>\$97,172</b>	<b>\$97,172</b>
<b>Total Indirect Costs</b>	<b>\$14,576</b>	<b>\$14,576</b>	<b>\$14,576</b>	<b>\$14,576</b>
	15%	15%	15%	15%
<b>Subtotals</b>	<b>\$111,748</b>	<b>\$111,748</b>	<b>\$111,748</b>	<b>\$111,748</b>
			<b>TOTAL</b>	<b>\$223,496</b>

Contractor Initials Matthew P. G.  
 Date 5/27/2025

Exhibit C-5, Budget

New Hampshire Department of Health and Human Services				
Contractor Name: <i>Northern Human Services-Region 1</i>				
Budget Request for: <i>Area Agency - General Funds</i>				
Average Indirect Cost Rate (if applicable) 15%				
Line Item	SFY26 (7/1/25-6/30/26)		SFY27 (7/1/26-6/30/27)	
	Total Program Cost	Program Cost - Funded by DHHS	Total Program Cost	Program Cost - Funded by DHHS
1. Salary & Wages	\$73,000	\$73,000	\$70,528	\$70,528
2. Fringe Benefits	\$21,000	\$21,000	\$20,000	\$20,000
3. Consultants		\$0		\$0
4. Equipment <i>Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.</i>		\$0		\$0
5.(a) Supplies - Educational		\$0		\$0
5.(b) Supplies - Lab		\$0		\$0
5.(c) Supplies - Pharmacy		\$0		\$0
5.(d) Supplies - Medical		\$0		\$0
5.(e) Supplies - Office	\$2,000	\$2,000	\$1,500	\$1,500
6. Travel	\$2,000	\$2,000	\$2,000	\$2,000
7. Software	\$500	\$500	\$500	\$500
8. (a) Other - Marketing/Communications	\$4,000	\$4,000	\$3,500	\$3,500
8. (b) Other - Education and Training	\$4,000	\$4,000	\$4,000	\$4,000
8. (c) Other - Other (specify below)		\$0		
<i>Other - Family Support Council additional funds</i>	\$19,000	\$19,000	\$19,000	\$19,000
<i>Other - Specific Individual Support and/or Crisis</i>	\$40,544	\$40,544	\$40,544	\$40,544
<i>Other - Assessments</i>	\$14,000	\$14,000	\$14,000	\$14,000
<i>Other - Recreation</i>	\$10,000	\$10,000	\$8,000	\$8,000
<i>Other - Interpreter Services</i>	\$3,000	\$3,000	\$3,000	\$3,000
<i>Other</i>		\$0		\$0
<i>Other</i>		\$0		\$0
<i>Other</i>		\$0		\$0
9. Subrecipient Contracts		\$0		\$0
<b>Total Direct Costs</b>	<b>\$193,044</b>	<b>\$193,044</b>	<b>\$186,572</b>	<b>\$186,572</b>
<b>Total Indirect Costs</b>	<b>\$28,957</b>	<b>\$28,957</b>	<b>\$27,986</b>	<b>\$27,986</b>
	15%	15%	15%	15%
<b>Subtotals</b>	<b>\$222,001</b>	<b>\$222,001</b>	<b>\$214,558</b>	<b>\$214,558</b>
			<b>TOTAL</b>	<b>\$436,559</b>

ds  


Contractor Initials  
 Date 5/27/2025

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

## SECTION A: CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

### ALTERNATIVE I - FOR CONTRACTORS OTHER THAN INDIVIDUALS

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

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

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

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

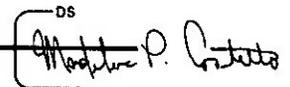
*M. P. Grotto*

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

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

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

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

<sup>DS</sup>  


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

### SECTION B: CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

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

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

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

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

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Exhibit D  
Federal Requirements

Contractor's Initials

Date 5/27/2025

<sup>DS</sup>  
*Madeline P. Costello*

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

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

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

#### INSTRUCTIONS FOR CERTIFICATION

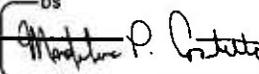
1. By signing and submitting this Agreement, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the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

v1 6/23

Exhibit D  
Federal Requirements

Contractor's Initials

Date 5/27/2025

 DS

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

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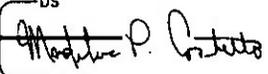
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person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

### PRIMARY COVERED TRANSACTIONS

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

### LOWER TIER COVERED TRANSACTIONS

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

<sup>DS</sup>  


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

### SECTION D: CERTIFICATION OF COMPLIANCE WITH FEDERAL REQUIREMENTS

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

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

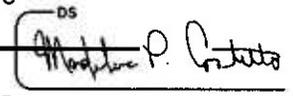
1. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200).
2. The Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment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

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Exhibit D  
Federal Requirements

Contractor's Initials

Date 5/27/2025

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

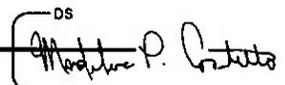
- 
12. The Clean Water Act (33 U.S.C. 1251-1387) which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters.
  13. Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council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

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

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

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

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

DS  


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

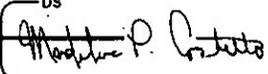
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### SECTION E: CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

<sup>DS</sup>  


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

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

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

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

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

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

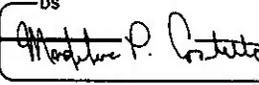
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

v1 6/23

Exhibit D  
Federal Requirements

Contractor's Initials

Date 5/27/2025

<sup>DS</sup>  


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

## FORM A

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

1. The UEI (SAM.gov) number for your entity is: C12LWJKRHJM7
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

           NO                        x   YES

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

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

           NO                                 YES

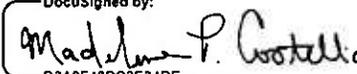
If the answer to #3 above is YES, stop here  
If the answer to #3 above is NO, please answer the following:

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

Name: _____	Amount: _____

Contractor Name: Northern Human Services

5/27/2025  
Date: \_\_\_\_\_

DocuSigned by:  
  
03A0E48DC2E34DE  
 Name: Madelene Costello  
 Title: Board President

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



A. Definitions

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

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all non-public information owned, managed, created, received for or on behalf of, the Department that is protected by information security, privacy or confidentiality rules, Agreement and state and federal laws or policy. This information may include but is not limited to, derivative data, Protected Health Information (PHI), Personally Identifiable Information (PII), Substance Use Disorder Information (SUD), Federal Tax Information, Social Security Administration, and CJIS (Criminal Justice Information Services) data, including the copy of information submitted known as the Phoenix Data. Confidential Information or Confidential Data shall not include medical records produced and maintained by the contractor in the course of their practice or information owned by the patient/client. Contractor shall be solely responsible for the administration and secure maintenance of such medical and other records produced and maintained by the contractor. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives Confidential Data in accordance with the terms of this Contract.
4. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
5. "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 mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

DS  
*Matthew P. Costello*

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



6. "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 Data.
7. "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.
8. "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.
9. "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.
10. "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.
11. "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 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.

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



3. Omitted.
4. The Contractor agrees that Confidential 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 Confidential 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 Confidential 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 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 Confidential 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 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

<sup>DS</sup>  
Handwritten signature of Matthew P. Costello in black ink.

## New Hampshire Department of Health and Human Services

### Exhibit E

## DHHS Information Security Requirements



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 Confidential Data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the Confidential Data, unless, otherwise required by law or permitted under this Contract. If it is infeasible to return or destroy the Confidential Data, protections pursuant to this Information Security Requirements Exhibit survive this contract. To this end, the parties must:

#### A. Retention

1. The Contractor agrees it will not store, transfer or process Confidential 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 Confidential Data 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 Confidential Data
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location.
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 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.

<sup>DS</sup>  
Handwritten signature of Matthew P. Costello in black ink.

## New Hampshire Department of Health and Human Services

### Exhibit E

## DHHS Information Security Requirements



### 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 Confidential Data upon request or contract termination; and will obtain written certification for any Confidential 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 Confidential 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 Confidential Data destruction, and will provide written certification to DHHS upon request. The written certification will include all details necessary to demonstrate Confidential 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 Confidential Data received under this Contract, as follows:
1. The Contractor will maintain proper security controls to protect Confidential Data collected, processed, managed, and/or stored in the delivery of contracted services.
  2. The Contractor will maintain policies and procedures to protect Confidential Data throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the Confidential Data (i.e., tape, disk, paper, etc.).
  3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Confidential Data where applicable.
  4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact Confidential Data, State of NH systems and/or Department confidential information for contractor provided systems.

<sup>DS</sup>  
*Matthew P. Contino*

New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Confidential Data.
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 DHHS 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 DHHS system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If DHHS determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with DHHS and is responsible for maintaining compliance with the agreement.
9. Omitted.
10. The Contractor will not store, knowingly or unknowingly, any Confidential Data or State of New Hampshire 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 DHHS.
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 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

<sup>DS</sup>  
Handwritten initials "MP Costello" in black ink, with a small "DS" above the signature.

New Hampshire Department of Health and Human Services

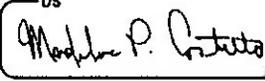
Exhibit E

DHHS Information Security Requirements



unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doiit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any Confidential Data or 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 Confidential 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.
  - e. limit disclosure of the Confidential Information to the extent permitted by law.
  - f. Confidential Information received under this Contract and individually identifiable Confidential 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, and in all cases, such Confidential 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.

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New Hampshire Department of Health and Human Services

Exhibit E

DHHS Information Security Requirements



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**

A. The Contractor must notify NH DHHS Information Security via the email address provided in this Exhibit, of any known or suspected Incidents or Breaches immediately after the Contractor has determined that the aforementioned has occurred and that Confidential Data may have been exposed or compromised.

1. Parties acknowledge and agree that unless notice to the contrary is provided by DHHS in its sole discretion to Contractor, this Section V.A.1 constitutes notice by Contractor to DHHS of the ongoing existence and occurrence or attempts of Unsuccessful Security Incidents for which no additional notice to DHHS shall be required. "Unsuccessful Security Incidents" means, without limitation, pings and other broadcast attacks on Contractor's firewalls, port scans, unsuccessful log-on attempts, denial of service attacks, and any combination of the above, so long as no such incident results in unauthorized access, use or disclosure of Confidential Data.

B. Per the terms of this Exhibit the Contractor's and End User's security incident and breach response procedures must address how the Contractor will:

1. Identify incidents;
2. Determine if Confidential Data is involved in incidents;
3. Report suspected or confirmed incidents to DHHS as required in this Exhibit. DHHS will provide the Contractor with a NH DHHS Business Associate Incident Risk Assessment Report for completion.
4. Within 24 hours of initial notification to DHHS, email a completed NH DHHS Business Associate Incident Risk Assessment Preliminary Report to the DHHS' Information Security Office at the email address provided herein;
5. Identify and convene a core response group to determine the risk level of incidents and determine risk-based responses to incidents and mitigation measures, prepare to include DHHS in the incident response calls throughout the incident response investigation;

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

**Exhibit E**

**DHHS Information Security Requirements**



6. Identify incident/breach notification method and timing;
  7. Within one business week of the conclusion of the Incident/Breach response investigation a final written Incident Response Report and Mitigation Plan is submitted to DHHS Information Security Office at the email address provided herein;
  8. Address and report incidents and/or Breaches that implicate personal information (PI) to DHHS in accordance with NH RSA 359-C:20 and this Agreement;
  9. Address and report incidents and/or Breaches per the HIPAA Breach Notification Rule, and the Federal Trade Commission's Health Breach Notification Rule 16 CFR Part 318 and this Agreement.
  10. Comply with all applicable state and federal suspected or known Confidential Data loss obligations and procedures.
- C. All legal notifications required as a result of a breach of Confidential Data, or potential breach, collected pursuant to this Contract shall be coordinated with the State if caused by the Contractor. The Contractor shall ensure that any subcontractors used by the Contractor shall similarly notify the State of a Breach, or potential Breach immediately upon discovery, shall make a full disclosure, including providing the State with all available information, and shall cooperate fully with the State, as defined above.

**VI. PERSONS TO CONTACT**

DHHS Information Privacy & Security at [DHHSInformationSecurityOffice@dhhs.nh.gov](mailto:DHHSInformationSecurityOffice@dhhs.nh.gov)

New Hampshire Department of Health and Human Services

Exhibit F

**BUSINESS ASSOCIATE AGREEMENT**

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

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

(1) **Definitions.**

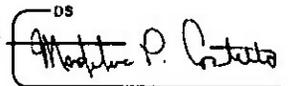
- a. The following terms shall have the same meaning as defined in HIPAA, the HITECH Act, and Part 2, as they may be amended from time to time:
  - "Breach," "Designated Record Set," "Data Aggregation," "Designated Record Set," "Health Care Operations," "HITECH Act," "Individual," "Privacy Rule," "Required by law," "Security Rule," and "Secretary."
- b. Business Associate Agreement, (BAA) means the Business Associate Agreement that includes privacy and confidentiality requirements of the Business Associate working with PHI and as applicable, Part 2 record(s) on behalf of the Covered Entity under the Agreement.
- c. "Constructively Identifiable," means there is a reasonable basis to believe that the information could be used, alone or in combination with other reasonably available information, by an anticipated recipient to identify an individual who is a subject of the information.
- d. "Protected Health Information" ("PHI") as used in the Agreement and the BAA, means protected health information defined in HIPAA 45 CFR 160.103, limited to the information created, received, or used by Business Associate from or on behalf of Covered Entity, and includes any Part 2 records, if applicable, as defined below.
- e. "Part 2 record" means any patient "Record," relating to a "Patient," and "Patient Identifying Information," as defined in 42 CFR Part 2.11.
- f. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

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

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

Exhibit F

Contractor Initials

<sup>DS</sup>  


Date 5/27/2025

New Hampshire Department of Health and Human Services

Exhibit F

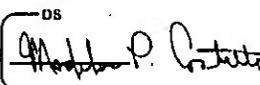
officers, employees, and agents, shall protect any PHI as required by HIPAA and 42 CFR Part 2, and not use, disclose, maintain, store, or transmit PHI in any manner that would constitute a violation of HIPAA or 42 CFR Part 2.

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

(3) Obligations and Activities of Business Associate.

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

Exhibit F

Contractor Initials   
Date 5/27/2025

New Hampshire Department of Health and Human Services

Exhibit F

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

Exhibit F

Contractor Initials

*Matthew P. Antuta*

Date 5/27/2025

New Hampshire Department of Health and Human Services

**Exhibit F**

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

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

(4) Obligations of Covered Entity

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

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

(5) Termination of Agreement for Cause

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

(6) Miscellaneous

- a. Definitions, Laws, and Regulatory References. All laws and regulations used, herein, shall refer to those laws and regulations as amended from time to time. A reference in the Agreement, as amended to include this Exhibit F, to a Section in HIPAA or 42 Part 2, means the Section as in effect or as amended.
- b. Change in law. Covered Entity and Business Associate agree to take such action as is necessary from time to time for the Covered Entity and/or Business Associate to,

Exhibit F

Contractor Initials

*M. P. G. [Signature]*

New Hampshire Department of Health and Human Services

Exhibit F

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

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

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

Department of Health and Human Services

Northern Human Services

The State

Name of the Contractor

DocuSigned by: Melissa Hardy
Signature of Authorized Representative

DocuSigned by: Madelene P. Costello
Signature of Authorized Representative

Melissa Hardy

Madelene Costello

Name of Authorized Representative

Name of Authorized Representative

Director, DLTSS

Board President

Title of Authorized Representative

Title of Authorized Representative

5/27/2025

5/27/2025

Date

Date

Exhibit F

Contractor Initials

Handwritten initials of Madelene P. Costello

Date 5/27/2025

# 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 NORTHERN HUMAN SERVICES is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on March 03, 1971. 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: 62362

Certificate Number: 0007148238



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 3rd day of April A.D. 2025.

A handwritten signature in black ink, appearing to read "D. Scanlan", is written over a faint circular stamp.

David M. Scanlan  
Secretary of State

**CERTIFICATE OF AUTHORITY**

I, Georgia Caron, 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 Northern Human Services.  
(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 January 7, 2025, at which a quorum of the Directors/shareholders were present and voting.  
(Date)

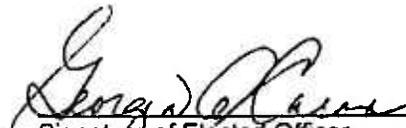
**VOTED:** That Madelene Costello, President, Dorothy Borchers, Vice President, or Tom Pitts, Treasurer (may list more than one person)  
(Name and Title of Contract Signatory)

is duly authorized on behalf of Northern Human Services 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: 5/8/25

  
\_\_\_\_\_  
Signature of Elected Officer  
Name: Georgia Caron  
Title: Secretary





### **Statement of Mission**

“To assist and advocate for people affected by mental illness, developmental disabilities and related disorders in living meaningful lives.”

### **Statement of Vision**

Everyone who truly needs our services can receive them, as we strive to meet ever-changing needs through advocacy, innovation, collaboration and skill.

# Financial Statements

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## NORTHERN HUMAN SERVICES, INC.

**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022  
AND  
INDEPENDENT AUDITORS' REPORT**

*Leone,  
McDonnell  
& Roberts*  
PROFESSIONAL ASSOCIATION

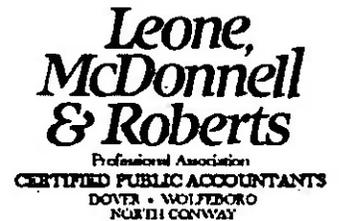
CERTIFIED PUBLIC ACCOUNTANTS

**NORTHERN HUMAN SERVICES, INC.**

**FOR THE YEARS ENDED  
JUNE 30, 2023 AND 2022**

**TABLE OF CONTENTS**

	<b><u>Page(s)</u></b>
Independent Auditors' Report	1 - 3
<b><u>Financial Statements:</u></b>	
Statements of Financial Position	4
Statement of Activities	5
Statements of Cash Flows	6
Statement of Functional Expenses, Totals for All Programs	7
Statement of Functional Expenses, Mental Health	8 - 12
Statement of Functional Expenses, Developmental Services	13 - 15
Notes to Financial Statements	16 - 27
<b><u>Supplementary Information:</u></b>	
Schedule of Functional Revenues and Expenses, Totals for All Programs	28
Schedule of Functional Revenues and Expenses, Mental Health	29 - 33
Schedule of Functional Revenues and Expenses, Developmental Services	34 - 36
Schedule of Expenditures of Federal Awards	37
Notes to Schedule of Expenditures of Federal Awards	38
Independent Auditors' Reports on Internal Control and Compliance	39 - 43
Schedule of Findings and Questioned Costs	44 - 45
Summary Schedule of Prior Audit Findings	46



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Northern Human Services, Inc.

### **Report on the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Northern Human Services, Inc. (a New Hampshire nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of cash flows, and notes to the financial statements for the years then ended, and the related statements of activities and functional expenses for the year ended June 30, 2023.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northern Human Services, Inc. as of June 30, 2023 and 2022, and its cash flows for the years then ended, and the changes in its net assets for the year ended June 30, 2023 in accordance with accounting principles generally accepted in the United States of America.

#### **Basis of Opinion**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

#### **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Northern Human Services, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northern Human Services, Inc.'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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of functional revenues and expenses on pages 28 – 36 and accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* on page 37, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of functional revenues and expenses and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2024, on our consideration of Northern Human Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Northern Human Services, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northern Human Services, Inc.'s internal control over financial reporting and compliance.

**Report on Summarized Comparative Information**

We have previously audited Northern Human Services, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 30, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Leone, McDonnell & Roberts,  
Professional Association*

March 30, 2024  
North Conway, New Hampshire

**NORTHERN HUMAN SERVICES, INC.**

**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

**ASSETS**

	<b><u>2023</u></b>	<b><u>2022</u></b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents, undesignated	\$ 21,034,112	\$ 24,125,943
Cash and cash equivalents, board designated	318,202	318,202
Accounts receivable, less allowance of \$348,000 and \$213,000 for 2023 and 2022, respectively	1,818,367	1,630,376
Grants receivable	133,871	921,033
Assets, limited use	712,862	726,917
Due from related party	91,582	-
Prepaid expenses and deposits	<u>144,517</u>	<u>201,166</u>
Total current assets	<u>24,253,513</u>	<u>27,923,637</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>406,761</u>	<u>375,056</u>
<b>OTHER ASSETS</b>		
Investments	2,376,577	2,184,839
Right of use asset, operating	<u>214,606</u>	<u>-</u>
Total other assets	<u>2,591,183</u>	<u>2,184,839</u>
Total assets	<b><u>\$ 27,251,457</u></b>	<b><u>\$ 30,483,532</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 1,156,282	\$ 1,325,789
Accrued payroll and related liabilities	459,537	1,465,707
Compensated absences payable	850,164	740,191
Other grants payable	1,114,041	2,307,279
Refundable advances	117,620	111,255
Deferred revenue	166,342	388,399
Refundable advances, maintenance of effort	101,803	631,469
Client funds held in trust	363,191	427,648
Due to related party	-	422,343
Current portion of right of use liability, operating	<u>61,320</u>	<u>-</u>
Total current liabilities	<u>4,390,300</u>	<u>7,820,080</u>
<b>LONG TERM LIABILITIES</b>		
Right of use liability, operating, net of current portion	<u>153,286</u>	<u>-</u>
Total liabilities	<u>4,543,586</u>	<u>7,820,080</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions		
Undesignated	22,132,211	22,087,818
Board designated	<u>318,202</u>	<u>318,202</u>
Total net assets without donor restrictions	<u>22,450,413</u>	<u>22,406,020</u>
Net assets with donor restrictions	<u>257,458</u>	<u>257,432</u>
Total net assets	<u>22,707,871</u>	<u>22,663,452</u>
Total liabilities and net assets	<b><u>\$ 27,251,457</u></b>	<b><u>\$ 30,483,532</u></b>

See Notes to Financial Statements

**NORTHERN HUMAN SERVICES, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Summarized</u>
<b>PUBLIC SUPPORT</b>				
State and federal grants	\$ 3,504,762	\$ -	\$ 3,504,762	\$ 2,251,017
Other public support	577,793	-	577,793	704,252
Local and county support	434,201	-	434,201	495,045
Donations	<u>57,315</u>	<u>-</u>	<u>57,315</u>	<u>69,645</u>
Total public support	<u>4,574,071</u>	<u>-</u>	<u>4,574,071</u>	<u>3,519,959</u>
<b>REVENUES</b>				
Program service fees	43,969,706	-	43,969,706	44,145,561
Production income	31,674	-	31,674	71,325
Other revenues	<u>483,258</u>	<u>-</u>	<u>483,258</u>	<u>320,685</u>
Total revenues	<u>44,484,638</u>	<u>-</u>	<u>44,484,638</u>	<u>44,537,571</u>
Total public support and revenues	<u>49,058,709</u>	<u>-</u>	<u>49,058,709</u>	<u>48,057,530</u>
<b>EXPENSES</b>				
Program Services:				
Mental health	12,361,875	-	12,361,875	11,678,621
Developmental services	<u>29,255,639</u>	<u>-</u>	<u>29,255,639</u>	<u>25,991,352</u>
Total program services	41,617,514	-	41,617,514	37,669,973
General management	<u>7,676,654</u>	<u>-</u>	<u>7,676,654</u>	<u>7,526,323</u>
Total expenses	<u>49,294,168</u>	<u>-</u>	<u>49,294,168</u>	<u>45,196,296</u>
<b>EXCESS (DEFICIENCY) OF PUBLIC SUPPORT AND REVENUES OVER EXPENSES</b>	<u>(235,459)</u>	<u>-</u>	<u>(235,459)</u>	<u>2,861,234</u>
<b>NON-OPERATING INCOME</b>				
Investment return (loss)	200,418	-	200,418	(326,044)
Interest income	79,184	276	79,460	12,905
Net assets released from restrictions	<u>250</u>	<u>(250)</u>	<u>-</u>	<u>-</u>
Total non-operating income	<u>279,852</u>	<u>26</u>	<u>279,878</u>	<u>(313,139)</u>
Change in net assets	44,393	26	44,419	2,548,095
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>22,406,020</u>	<u>257,432</u>	<u>22,663,452</u>	<u>20,115,357</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 22,450,413</u>	<u>\$ 257,458</u>	<u>\$ 22,707,871</u>	<u>\$ 22,663,452</u>

See Notes to Financial Statements

**NORTHERN HUMAN SERVICES, INC.****STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 44,419	\$ 2,548,095
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	79,727	87,099
Unrealized (gain) loss on investments	(108,766)	516,823
Realized gain on investments	(32,722)	(141,671)
(Increase) decrease in assets:		
Accounts receivable	(187,991)	2,062,415
Grants receivable	787,162	(696,846)
Assets, limited use	14,055	79,399
Due from related party	(91,582)	-
Prepaid expenses and deposits	56,649	5,731
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(169,507)	24,808
Accrued payroll and related liabilities	(1,006,170)	(190,951)
Compensated absences payable	109,973	(74,799)
Other grants payable	(1,193,238)	1,381,794
Refundable advances	6,365	1,255
Deferred revenue	(222,057)	105,782
Refundable advances, maintenance of effort	(529,666)	631,469
Client funds held in trust	(64,457)	(41,968)
Due to related party	(422,343)	369,135
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>(2,930,149)</u>	<u>6,667,570</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property	(111,432)	(268,251)
Purchases of investments	(782,752)	(536,028)
Proceeds from sales of investments	791,432	550,005
Reinvested dividends	(58,930)	(49,108)
Change in cash value of life insurance	-	470,832
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<u>(161,682)</u>	<u>167,450</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(3,091,831)	6,835,020
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>24,444,145</u>	<u>17,609,125</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 21,352,314</u>	<u>\$ 24,444,145</u>

See Notes to Financial Statements

**NORTHERN HUMAN SERVICES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
TOTALS FOR ALL PROGRAMS**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<b><u>Mental Health</u></b>	<b><u>Developmental Services</u></b>	<b><u>Subtotals</u></b>	<b><u>General Management</u></b>	<b><u>2023 Total</u></b>	<b><u>2022 Summarized</u></b>
<b>EXPENSES</b>						
Salaries and wages	\$ 8,442,713	\$ 7,211,701	\$ 15,654,414	\$ 4,346,131	\$ 20,000,545	\$ 17,721,919
Employee benefits	1,437,432	1,372,032	2,809,464	907,217	3,716,681	3,835,303
Payroll taxes	616,524	526,796	1,143,320	315,759	1,459,079	1,286,841
Client wages	73,685	21,115	94,800	-	94,800	96,342
Professional fees	196,539	18,546,617	18,743,156	429,093	19,172,249	18,445,948
Staff development and training	22,232	20,897	43,129	20,765	63,894	47,037
Occupancy costs	279,658	290,135	569,793	660,063	1,229,856	1,186,126
Consumable supplies	166,988	147,751	314,739	74,445	389,184	365,375
Equipment expenses	154,234	115,900	270,134	301,585	571,719	380,143
Communications	196,863	135,004	331,867	52,538	384,405	367,471
Travel and transportation	238,701	622,267	860,968	38,163	899,131	679,412
Assistance to individuals	3,020	75,446	78,466	1,058	79,524	106,064
Insurance	92,687	74,193	166,880	45,982	212,862	194,908
Membership dues	40,848	45,339	86,187	14,280	100,467	113,217
Bad debt expense	385,662	40,218	425,880	-	425,880	358,261
Other expenses	14,089	10,228	24,317	469,575	493,892	11,929
<b>Total expenses</b>	<b>\$ 12,361,875</b>	<b>\$ 29,255,639</b>	<b>\$ 41,617,514</b>	<b>\$ 7,676,654</b>	<b>\$ 49,294,168</b>	<b>\$ 45,196,296</b>

See Notes to Financial Statements

**NORTHERN HUMAN SERVICES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
MENTAL HEALTH**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<b><u>Non-Specialized Outpatient</u></b>	<b><u>State Eligible Adult Outpatient</u></b>	<b><u>Outpatient Contracts</u></b>	<b><u>Children and Adolescents</u></b>
<b>EXPENSES</b>				
Salaries and wages	\$ 234,352	\$ 1,071,910	\$ 274,895	\$ 1,122,185
Employee benefits	33,883	143,490	34,442	197,562
Payroll taxes	17,727	72,479	20,739	80,785
Client wages	-	-	-	-
Professional fees	4,803	16,073	3,507	38,057
Staff development and training	467	4,496	106	4,169
Occupancy costs	3,586	6,672	1,131	6,685
Consumable supplies	12,664	7,118	1,340	9,969
Equipment expenses	5,802	19,191	3,949	18,992
Communications	1,588	23,171	5,461	22,489
Travel and transportation	513	985	5,248	29,306
Assistance to individuals	539	1,260	-	22
Insurance	3,547	13,479	3,443	12,429
Membership dues	2,884	7,980	1,737	5,518
Bad debt expense	147,516	64,286	-	7,381
Other expenses	61	380	93	486
	<u>469,932</u>	<u>1,452,970</u>	<u>356,091</u>	<u>1,556,035</u>
Total expenses	<u>\$ 469,932</u>	<u>\$ 1,452,970</u>	<u>\$ 356,091</u>	<u>\$ 1,556,035</u>

See Notes to Financial Statements

**NORTHERN HUMAN SERVICES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
MENTAL HEALTH**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<b><u>Emergency Services</u></b>	<b><u>Other Non-BBH</u></b>	<b><u>Integrated Health Grant</u></b>	<b><u>Bureau of Drug &amp; Alcohol Services</u></b>
<b>EXPENSES</b>				
Salaries and wages	\$ 197,336	\$ 286,049	\$ 440,280	\$ 31,600
Employee benefits	34,827	46,413	61,845	11,382
Payroll taxes	14,083	20,226	31,566	2,559
Client wages	-	-	-	-
Professional fees	6,555	15,082	16,360	1,173
Staff development and training	376	4,234	430	42
Occupancy costs	1,715	1,680	36	406
Consumable supplies	662	3,197	2,162	412
Equipment expenses	7,100	5,496	1,425	1,324
Communications	14,432	6,181	11,736	546
Travel and transportation	246	7,426	4,678	139
Assistance to individuals	-	383	-	-
Insurance	5,506	3,462	33	1,494
Membership dues	2,060	1,461	178	373
Bad debt expense	8,170	117	19,285	2,154
Other expenses	4	914	195	1
	<u>4</u>	<u>914</u>	<u>195</u>	<u>1</u>
Total expenses	<b><u>\$ 293,072</u></b>	<b><u>\$ 402,321</u></b>	<b><u>\$ 590,209</u></b>	<b><u>\$ 53,605</u></b>

See Notes to Financial Statements

**NORTHERN HUMAN SERVICES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
MENTAL HEALTH**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Drug Court</u>	<u>Vocational Services</u>	<u>Restorative Partial Hospital</u>	<u>Case Management</u>
<b>EXPENSES</b>				
Salaries and wages	\$ 253,041	\$ 188,738	\$ 46,420	\$ 956,901
Employee benefits	60,127	25,280	12,414	193,675
Payroll taxes	18,511	16,574	3,406	71,249
Client wages	-	26,830	-	-
Professional fees	9,975	2,926	458	13,346
Staff development and training	366	182	16	769
Occupancy costs	848	2,681	133	4,874
Consumable supplies	4,136	2,130	9,597	2,516
Equipment expenses	3,429	3,073	528	15,573
Communications	3,958	5,316	456	15,553
Travel and transportation	6,753	26,679	53	41,329
Assistance to individuals	-	-	52	138
Insurance	2,034	1,858	531	10,557
Membership dues	934	795	139	4,014
Bad debt expense	1,381	-	-	25,868
Other expenses	842	7	1	2,676
	<u>\$ 366,335</u>	<u>\$ 303,069</u>	<u>\$ 74,204</u>	<u>\$ 1,359,038</u>
Total expenses	<u>\$ 366,335</u>	<u>\$ 303,069</u>	<u>\$ 74,204</u>	<u>\$ 1,359,038</u>

See Notes to Financial Statements

**NORTHERN HUMAN SERVICES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
MENTAL HEALTH**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Supportive Living</u>	<u>Community Residences</u>	<u>Bridge Grant</u>	<u>Victims of Crime Act Program</u>
<b>EXPENSES</b>				
Salaries and wages	\$ 586,216	\$ 911,095	\$ 57,630	\$ 378,939
Employee benefits	136,271	204,943	12,827	58,825
Payroll taxes	44,892	66,250	4,156	25,744
Client wages	-	-	-	-
Professional fees	7,485	12,489	1,298	5,152
Staff development and training	243	604	25	780
Occupancy costs	3,148	48,073	128,683	2,259
Consumable supplies	2,868	38,863	1,141	1,989
Equipment expenses	8,571	15,023	922	6,159
Communications	9,346	36,578	2,061	7,031
Travel and transportation	30,268	14,310	5,017	3,864
Assistance to individuals	355	208	-	3
Insurance	6,864	9,884	620	4,672
Membership dues	2,207	3,699	233	1,874
Bad debt expense	15,097	32,651	-	22,252
Other expenses	882	119	300	71
	<u>\$ 854,713</u>	<u>\$ 1,394,789</u>	<u>\$ 214,913</u>	<u>\$ 519,614</u>
Total expenses				

See Notes to Financial Statements

Continued

**NORTHERN HUMAN SERVICES, INC.****STATEMENT OF FUNCTIONAL EXPENSES  
MENTAL HEALTH****FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<b><u>ACT</u></b>	<b><u>System of</u></b>	<b><u>Other</u></b>	<b><u>Total</u></b>	<b><u>2022</u></b>
	<b><u>Team</u></b>	<b><u>Care</u></b>	<b><u>Mental Health</u></b>	<b><u>Mental Health</u></b>	<b><u>Summarized</u></b>
			<b><u>Programs</u></b>	<b><u>Programs</u></b>	
<b>EXPENSES</b>					
Salaries and wages	\$ 972,438	\$ 106,068	\$ 326,620	\$ 8,442,713	\$ 6,941,012
Employee benefits	144,046	5,193	19,987	1,437,432	1,400,012
Payroll taxes	68,843	8,092	28,643	616,524	502,477
Client wages	-	-	46,855	73,685	53,718
Professional fees	22,279	274	19,247	196,539	1,430,397
Staff development and training	2,148	1,872	907	22,232	18,997
Occupancy costs	41,696	70	25,282	279,658	363,146
Consumable supplies	5,024	3,494	57,706	166,988	132,296
Equipment expenses	15,027	319	22,331	154,234	110,389
Communications	24,182	384	6,394	196,863	169,881
Travel and transportation	37,551	2,097	22,239	238,701	170,152
Assistance to individuals	60	-	-	3,020	10,323
Insurance	11,375	-	899	92,687	80,580
Membership dues	4,106	83	573	40,848	39,648
Bad debt expense	39,504	-	-	385,662	248,513
Other expenses	449	-	6,608	14,089	7,080
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	\$ 1,388,728	\$ 127,946	\$ 584,291	\$ 12,361,875	\$ 11,678,621

See Notes to Financial Statements

**NORTHERN HUMAN SERVICES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
DEVELOPMENTAL SERVICES**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Service Coordination</u>	<u>School District Contracts</u>	<u>Day Programs</u>	<u>Early Supports &amp; Services</u>	<u>Independent Living Services</u>
<b>EXPENSES</b>					
Salaries and wages	\$ 474,416	\$ 6,279	\$ 2,273,859	\$ 518,098	\$ 116,233
Employee benefits	82,494	3,392	497,409	78,335	12,279
Payroll taxes	35,234	713	169,914	38,744	8,968
Client wages	-	609	12,162	-	-
Professional fees	531,456	1,306	543,497	159,541	21,057
Staff development and training	320	29	7,724	320	51
Occupancy costs	14,256	297	69,448	15,965	733
Consumable supplies	2,765	271	17,714	6,781	1,353
Equipment expenses	7,578	669	49,362	9,487	1,510
Communications	11,689	307	41,283	15,696	402
Travel and transportation	8,659	627	353,631	80,767	11,575
Assistance to individuals	12	-	11,152	110	35
Insurance	5,087	555	24,630	5,951	1,331
Membership dues	21,275	107	11,394	1,037	174
Bad debt expense	-	-	6,275	31,481	318
Other expenses	115	8	5,647	485	202
<b>Total expenses</b>	<b>\$ 1,195,356</b>	<b>\$ 15,169</b>	<b>\$ 4,095,101</b>	<b>\$ 962,798</b>	<b>\$ 176,221</b>

See Notes to Financial Statements

**NORTHERN HUMAN SERVICES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
DEVELOPMENTAL SERVICES**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Family Residence</u>	<u>Combined Day/ Residential Vendor</u>	<u>Individual Supported Living</u>	<u>Consolidated Services</u>	<u>Combined Day/ Residential Services</u>
<b>EXPENSES</b>					
Salaries and wages	\$ 2,132,113	\$ -	\$ 300,783	\$ 879,148	\$ 30,609
Employee benefits	369,245	-	89,406	121,901	6,149
Payroll taxes	160,385	-	21,278	53,793	2,196
Client wages	8,344	-	-	-	-
Professional fees	3,182,283	1,702,959	5,746	2,460,447	1,898,907
Staff development and training	7,651	-	269	1,336	14
Occupancy costs	124,104	-	59,542	640	1,472
Consumable supplies	77,618	-	18,581	1,419	10,830
Equipment expenses	31,732	-	7,083	1,858	409
Communications	45,744	-	3,513	5,030	333
Travel and transportation	54,820	-	10,487	84,371	248
Assistance to individuals	2,695	-	-	39,351	90
Insurance	26,179	-	3,038	1,837	314
Membership dues	6,211	-	598	3,757	63
Bad debt expense	2,144	-	-	-	-
Other expenses	1,146	-	217	20	-
	<u>6,232,414</u>	<u>1,702,959</u>	<u>520,541</u>	<u>3,654,908</u>	<u>1,951,634</u>
Total expenses	<u>\$ 6,232,414</u>	<u>\$ 1,702,959</u>	<u>\$ 520,541</u>	<u>\$ 3,654,908</u>	<u>\$ 1,951,634</u>

See Notes to Financial Statements

**NORTHERN HUMAN SERVICES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
DEVELOPMENTAL SERVICES**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<b>Acquired Brain <u>Disorder</u></b>	<b>Other Developmental Services <u>Programs</u></b>	<b>Total Developmental Services <u>Programs</u></b>	<b>2022 <u>Summarized</u></b>
<b>EXPENSES</b>				
Salaries and wages	\$ 43,743	\$ 436,420	\$ 7,211,701	\$ 7,527,386
Employee benefits	15,955	95,467	1,372,032	1,746,022
Payroll taxes	3,077	32,494	526,796	571,524
Client wages	-	-	21,115	29,267
Professional fees	284,829	7,754,589	18,546,617	14,395,622
Staff development and training	19	3,164	20,897	16,661
Occupancy costs	764	2,914	290,135	517,697
Consumable supplies	1,021	9,398	147,751	170,398
Equipment expenses	588	5,624	115,900	160,938
Communications	767	10,240	135,004	149,335
Travel and transportation	3,095	13,987	622,267	416,163
Assistance to individuals	-	22,001	75,446	81,137
Insurance	485	4,786	74,193	82,892
Membership dues	62	661	45,339	41,277
Bad debt expense	-	-	40,218	82,355
Other expenses	52	2,336	10,228	2,678
	<u>354,457</u>	<u>8,394,081</u>	<u>29,255,639</u>	<u>25,991,352</u>
Total expenses	<u>\$ 354,457</u>	<u>\$ 8,394,081</u>	<u>\$ 29,255,639</u>	<u>\$ 25,991,352</u>

See Notes to Financial Statements

**NORTHERN HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

Northern Human Services, Inc. (the Organization), is a New Hampshire nonprofit corporation, and was created to develop and provide a comprehensive program of mental health, developmental disabilities, and rehabilitative care to the residents of Northern New Hampshire.

**Basis of Accounting**

The financial statements of Northern Human Services, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

**Basis of Presentation**

The Organization is required to report information regarding its financial position and activities according to the following net asset classifications. The classes of net assets are determined by the presence or absence of donor restrictions.

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

As of June 30, 2023 and 2022, the Organization had net assets with donor restrictions and net assets without donor restrictions.

**Accounting Estimates**

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

**Contributions**

All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as support with donor restrictions, depending on the nature of the restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as without donor restrictions.

**Cash Equivalents**

The Organization considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents.

**NORTHERN HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to activities and a credit to a valuation allowance based on historical account write-off patterns by the payor, adjusted as necessary to reflect current conditions. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Organization has no policy for charging interest on overdue accounts nor are its accounts receivable pledged as collateral.

It is the policy of the Organization to provide services to all eligible residents of Northern New Hampshire without regard to ability to pay. As a result of this policy, all charity care write-offs are recorded as reductions of revenue in the period in which services are provided. The accounts receivable allowance includes the estimated amount of charity care and contractual allowances included in the accounts receivable balances. The computation of the contractual allowance is based on historical ratios of fees charged to amounts collected.

**Property and Depreciation**

Property and equipment are recorded at cost or, if contributed, at estimated fair value at the date of contribution. Material assets with a useful life in excess of one year are capitalized. Depreciation is provided for using the straight-line method in amounts designed to amortize the cost of the assets over their estimated useful lives as follows:

Vehicles	5 – 10 years
Equipment	3 – 10 years

Costs for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related accumulated depreciation, and any gain or loss is recognized.

**Investments**

Investments consist of mutual funds and interest-bearing investments and are stated at fair value on the statements of financial position based on quoted market prices. The Organization's investments are subject to various risks, such as interest rate, credit and overall market volatility, which may substantially impact the fair value of such investments at any given time.

**Accrued Earned Time**

The Organization has accrued a liability for future compensated absences that its employees have earned and which is vested with the employees.

**Refundable Advances**

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services are provided or costs are incurred.

**Program Service Fee Revenue**

The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. Payment arrangements include reimbursed costs, discounted charges, and per diem payments. Program service fee revenue is reported at the estimated net realizable amounts from clients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with the third-party payors. Retroactive adjustments are accrued on an estimated basis in the

**NORTHERN HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

period the related services are rendered and adjusted in future periods as final settlements are determined.

**Advertising**

The Organization expenses advertising costs as incurred.

**Summarized Financial Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis. Natural expenses are defined by their nature, such as salaries, rent, supplies, etc. Functional expenses are classified by the type of activity for which expenses are incurred, such as management and general and direct program costs. Expenses are allocated by function using a reasonable and consistent approach that is primarily based on function and use. The costs of providing certain program and supporting services have been directly charged.

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation.

FASB ASC 740, Accounting for Income Taxes, establishes the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements, and is effective for Northern Human Services' current year. Management has analyzed Northern Human Services' tax positions taken on its information returns for all open tax years (three years) and has concluded that no additional provision for income tax is required in the Organization's financial statements.

**New Accounting Pronouncement**

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The standard applies a right of use model that requires all leases with a lease term of more than 12 months to recognize an asset representing its right to use the underlying asset for the lease term and liability to make lease payments to be recorded. The Organization elected not to restate the comparative period. The Organization also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, (iii) initial direct costs for existing leases. The adoption of ASU 2016-02 resulted in the recognition of an operating right of use assets and operating lease liabilities of \$214,606 as of June 30, 2023. Results for periods beginning prior to July 1, 2022 continue to be reported in accordance with the Organization's historical accounting treatment. The adoption of ASU 2016-02 did not have a material impact on the Organization's operations or cash flows.

**NORTHERN HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**Revenue Recognition**

The Organization derives revenues from services provided to its clients. Service revenue is reported at the amount that reflects consideration to which the Organization expects to be entitled in exchange for providing services. These amounts are due from clients and third-party payors. Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization and the contract with the client or third-party and are satisfied when the service is performed.

The Organization determines the transaction price based on standard charges for goods and services provided as well as the state contract rate with third-party payors.

**2. AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets as of June 30, 2023 and 2022:

	<b><u>2023</u></b>	<b><u>2022</u></b>
Financial assets at year end:		
Cash and cash equivalents	\$ 21,352,314	\$ 24,444,145
Accounts receivable, net	1,818,367	1,630,376
Grants receivable	133,871	921,033
Assets, limited use	712,862	726,917
Due from related party	91,582	-
Investments	<u>2,376,577</u>	<u>2,184,839</u>
Total financial assets	26,485,573	29,907,310
Less amounts not available to be used within one year:		
Cash and cash equivalents, board designated	318,202	318,202
Client funds held in trust	363,191	427,648
Net assets with donor restrictions	<u>257,458</u>	<u>257,432</u>
Total amounts not available within one year	<u>938,851</u>	<u>1,003,282</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 25,546,722</u>	<u>\$ 28,904,028</u>

The Organization's goal is generally to maintain financial assets to meet 120 days of operating expenses (approximately \$16,200,000).

**3. ASSETS, LIMITED USE**

As of June 30, 2023 and 2022, assets, limited use consisted of the following:

	<b><u>2023</u></b>	<b><u>2022</u></b>
Donor restricted cash	\$ 257,458	\$ 257,432
Client funds held in trust	363,190	427,648
Employee benefits	<u>92,214</u>	<u>41,837</u>
Total assets, limited use	<u>\$ 712,862</u>	<u>\$ 726,917</u>

**NORTHERN HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**4. PROPERTY AND DEPRECIATION**

As of June 30, 2023 and 2022, property and equipment consisted of the following:

	<u>2023</u>	<u>2022</u>
Vehicles	\$ 242,373	\$ 242,373
Equipment	<u>634,914</u>	<u>523,482</u>
Total property and equipment	877,287	765,855
Less accumulated depreciation	<u>470,526</u>	<u>390,799</u>
Property and equipment, net	<u>\$ 406,761</u>	<u>\$ 375,056</u>

Depreciation expense totaled \$79,727 and \$87,099 for the years ended June 30, 2023 and 2022, respectively.

**5. INVESTMENTS**

The Organization's investments are presented in the financial statements in the aggregate at fair value and consisted of the following as of June 30, 2023 and 2022:

	<u>2023</u>		<u>2022</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
<b>Money Market Funds</b>	\$ 77,414	\$ 77,414	\$ 20,487	\$ 20,487
<b>Mutual Funds:</b>				
Domestic equity funds	1,163,613	988,750	767,142	703,089
International equity funds	459,261	446,570	336,644	365,625
Fixed income funds	676,289	769,818	1,057,981	1,174,351
Other mutual funds	<u>-</u>	<u>-</u>	<u>2,585</u>	<u>2,691</u>
<b>Total</b>	<u>\$ 2,376,577</u>	<u>\$ 2,282,552</u>	<u>\$ 2,184,839</u>	<u>\$ 2,266,243</u>

Investments in common stock and U.S. government securities are valued at the closing price reported in the active market in which the securities are traded. Management considers all investments to be long term in nature.

	<u>2023</u>	<u>2022</u>
<b><u>Components of Investment Return (Loss):</u></b>		
Interest and dividends	\$ 58,930	\$ 49,108
Unrealized gains (losses) on investments	108,766	(516,823)
Realized gains on investments	<u>32,722</u>	<u>141,671</u>
	<u>\$ 200,418</u>	<u>\$ (326,044)</u>

Investment management fees for the years ended June 30, 2023 and 2022 were \$17,224 and \$18,533, respectively, and were netted with investment return.

**NORTHERN HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**6. FAIR VALUE MEASUREMENTS**

*FASB ASC Topic No. 820-10* provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with *FASB ASC 820-10*, the Organization may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, *ASC Topic 820* establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy under *ASC Topic 820* are described as follows:

**Level 1** - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

**Level 2** - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

**Level 3** - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The Organization's financial instruments consist of cash, short-term receivables and payables, and refundable advances. The carrying value for all such instruments, considering the terms, approximates fair value at June 30, 2023 and 2022.

The following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

**Mutual Funds:** All actively traded mutual funds are valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value (NAV) and to transact at that price. All mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission.

**NORTHERN HUMAN SERVICES, INC.****NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

The table below segregates all financial assets and liabilities as of June 30, 2023 and 2022 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date:

	<b><u>2023</u></b>			
	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
<b>Money Market Funds</b>	\$ 77,414	\$ -	\$ -	\$ 77,414
<b>Mutual Funds</b>				
Domestic equity funds	1,163,613	-	-	1,163,613
International equity funds	459,261	-	-	459,261
Fixed income funds	<u>676,289</u>	<u>-</u>	<u>-</u>	<u>676,289</u>
 Total investments at fair value	 <b><u>\$ 2,376,577</u></b>	 <b><u>\$ -</u></b>	 <b><u>\$ -</u></b>	 <b><u>\$ 2,376,577</u></b>

	<b><u>2022</u></b>			
	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
<b>Money Market Funds</b>	\$ 20,487	\$ -	\$ -	\$ 20,487
<b>Mutual Funds</b>				
Domestic equity funds	767,142	-	-	767,142
International equity funds	336,644	-	-	336,644
Fixed income funds	1,057,981	-	-	1,057,981
Other funds	<u>2,585</u>	<u>-</u>	<u>-</u>	<u>2,585</u>
 Total investments at fair value	 <b><u>\$ 2,184,839</u></b>	 <b><u>\$ -</u></b>	 <b><u>\$ -</u></b>	 <b><u>\$ 2,184,839</u></b>

**7. RETIREMENT PLAN**

The Organization maintains a retirement plan for all eligible employees. Under the plan employees can make voluntary contributions to the plan of up to 100% of pretax or after tax annual compensation up to the maximum annual limit provided by the Internal Revenue Service. All employees who work one thousand hours per year are eligible to participate after one year of employment, as defined by the plan. During the year ended June 30, 2015, the Organization implemented a 2% discretionary contribution allocated each pay period. During the year ended June 30, 2020, the Organization increased the discretionary contribution from 2% to 3%. Contributions by the Organization totaled \$452,001 and \$437,620 for the years ended June 30, 2023 and 2022, respectively.

**NORTHERN HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**8. CONCENTRATION OF CREDIT RISK**

The Organization maintains cash balances that, at times, may exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended June 30, 2023 and 2022. At June 30, 2023 and 2022, the Organization had cash balances in excess of FDIC coverage. However, in addition to FDIC coverage, the Organization maintains a tri-party collateralization agreement with its primary financial institution and a trustee. The trustee maintains mortgage-backed collateralization of 102% of the Organization's deposits at its financial institution. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to these accounts.

**9. CONCENTRATION OF RISK**

For the years ended June 30, 2023 and 2022, approximately 85% and 89% of the total revenue was derived from Medicaid, respectively. The future existence of the Organization is dependent upon continued support from Medicaid.

In order for the Organization to receive Medicaid funding, they must be formally approved by the State of New Hampshire, Department of Health and Human Services, Division of Community Based Care Services, Bureau of Behavioral Health, and Bureau of Developmental Services as the provider of services for individuals with mental health illnesses and developmentally disabled individuals, for that region. During the year ended June 30, 2017, the Organization was reapproved as a provider of mental health services with the Bureau of Behavioral Health.

Medicaid receivables comprise approximately 90% and 89% of the total accounts receivable balances at June 30, 2023 and 2022, respectively.

**10. LEASE COMMITMENTS**

On July 1, 2022, the Organization was required to adopt ASU 2016-02, Leases (Topic 842). As part of implementing ASU 2016-02, the Organization evaluated current contracts to determine which met the criteria of a lease. The right of use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has elected to discount future cash flows at the risk free borrowing rates commensurate with the lease terms, which was 4.27% at June 30, 2023. At June 30, 2023, the right of use asset and lease liability is \$214,606. Common expenses, classified as occupancy costs in the accompanying financial statements, are considered a non-lease component under FASB ASC 842 and are recognized as costs are incurred. The Organization's operating leases are described below:

The Organization has entered into various operating lease agreements to rent certain facilities and office equipment. The terms of these leases range from one to five years. Monthly lease payments range from \$290 to \$12,755. Rent expense incurred under the lease agreements aggregated \$1,047,770 and \$995,792 for the years ended June 30, 2023 and 2022, respectively.

The Organization elected to use the risk free rate of 4.27% on all operating leases. The weighted average discount rate is 4.27%; the weighted average remaining lease term for operating lease obligations is 2.89 years.

**NORTHERN HUMAN SERVICES, INC.****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

Lease liability maturities as of June 30, 2023 were as follows:

<b><u>Year Ended June 30</u></b>	<b><u>Amount</u></b>
2024	\$ 61,320
2025	59,317
2026	57,816
2027	42,254
2028	<u>12,991</u>
Total undiscounted lease liability	233,698
Less imputed interest	<u>19,092</u>
Total lease liability	<u>\$ 214,606</u>

The scheduled future minimum lease payments for operating leases under one year in duration are \$847,224 for the year ending June 30, 2024.

See Note 11 for information regarding lease agreements with a related party.

**11. RELATED PARTY TRANSACTIONS**

The Organization is related to the nonprofit corporation Shallow River Properties, Inc. (Shallow River) as a result of common board membership. Shallow River was incorporated under the laws of the State of New Hampshire on September 13, 1988, for the purpose of owning, maintaining, managing, selling, and leasing real property associated with the provision of residential, treatment, and administrative services for the clients and staff of the Organization.

The Organization has transactions with Shallow River during its normal course of operations. The significant related party transactions are as follows:

**Due to/from Related Party**

The Organization had a receivable due from Shallow River balance in the amount of \$91,582 at June 30, 2023 and a payable due to Shallow River balance in the amount of \$422,343 at June 30, 2022, respectively.

**Rental Expense**

The Organization leases various properties, including office space, and properties occupied by the Organization's clients from Shallow River under the terms of tenant at will agreements. The Organization has the perpetual right to extend the leases. Total rental expense paid under the terms of the leases was \$770,034 for each of the years ended June 30, 2023 and 2022. The Organization also leases space from a board member for \$1,200 per month.

**Management Fee**

The Organization charges Shallow River for administrative expenses incurred on its behalf. Management fee revenue aggregated \$74,649 for each of the years ended June 30, 2023 and 2022.

**NORTHERN HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**Donation**

Although not required by agreement between Shallow River and the Organization, Shallow River generally donates the excess of its revenues over expenses to the Organization. For the year ended June 30, 2023, Shallow River did not make a donation to the Organization but retained its surplus of \$405,007 due to future plans of acquiring a new building and for use in future renovation projects and maintenance costs. For the year ended June 30, 2022, Shallow River had a net loss of \$247,951 and therefore had no surplus to donate.

**12. REFUNDABLE ADVANCES, MAINTENANCE OF EFFORT**

The Organization maintains contracted arrangements with multiple Medicaid managed care organizations (MCOs) that provide a set per member per month payment for health care services provided. This system helps manage costs, utilization, and quality of services. The Organization is paid prior to services being provided each month and is required to maintain certain levels of performance. A reconciliation is calculated at year end between the Organization and the MCOs to determine if the Organization has been overpaid compared to actual utilization and services performed, which the Organization would then be required to repay. At June 30, 2023 and 2022, the outstanding capitated payment liability totaled \$101,803 and \$631,469, respectively.

**13. COMMITMENTS AND CONTINGENCIES**

The Organization receives funding under various state and federal grants. Under the terms of these grants, the Organization is required to use the money within the grant period for purposes specified in the grant proposal. If expenditures for the grant were found not to have been made in compliance with the proposal, the Organization may be required to repay the grantor's funds.

Excess funds generated from state and/or Medicaid funded programs may be expended, at the Organization's discretion, to increase or improve service delivery within the program. The excess funds may not be used to increase spending for personnel, professional fees, fringe benefits, or capital expenditures without prior written approval of the State of New Hampshire.

The Organization has contracts with certain third-party payors requiring specific performance to supervise and document certain events relating to client treatment. These agencies periodically audit the performance of the Organization in fulfilling these requirements. If the payments were found not to have been made in compliance with the contracts, the Organization may be required to repay the funds received under the contract.

The Organization ensures its medical malpractice risks on a claims-made basis under a policy, which covers all of its employees. The Organization intends to renew coverage on a claims-made basis and anticipates that such coverage will be available.

Contracts with the State of New Hampshire and various federal agencies require that the properties supported be used for certain programs and/or to serve specified client populations. If Shallow River or the Organization should stop using the property to provide services acceptable to these grantors, the grantors would be entitled to all or part of the proceeds from the disposition of the property. These stipulations affect substantially all of the properties owned by Shallow River. The affected amount and the disposition are determined by negotiation with the granting authority at the time the property is sold.

**NORTHERN HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**14. NET ASSETS WITH DONOR RESTRICTIONS**

At June 30, 2023 and 2022, net assets with donor restrictions consisted of the following:

	<u>2023</u>	<u>2022</u>
Certificates of Deposit – Memorial Fund	\$ 252,417	\$ 252,417
Dream Team Fund	2,736	2,963
Income earned on the Memorial Fund	<u>2,305</u>	<u>2,052</u>
Total net assets with donor restrictions	<u>\$ 257,458</u>	<u>\$ 257,432</u>

**15. ENDOWMENT FUND AND NET ASSETS WITH DONOR RESTRICTIONS**

As a result of the June 30, 2006 merger of The Center of Hope for Developmental Disabilities, Inc. (Center of Hope), with and into the Organization, the Organization assumed responsibility for certain assets of Center of Hope that are subject to charitable restrictions and designated for particular purposes, namely the Memorial Fund (the Fund).

The Fund was created by the Center of Hope in 1989 for the purpose of seeking out and funding experiences that make life more interesting and full for people with disabilities. In or around 1992, additional funds were added to the Fund as a result of a testamentary bequest of Dorothy M. Walters, for the purpose of providing “maintenance funds” for programs for individuals with mental and developmental disabilities. The Center of Hope interpreted the terms of this bequest as consistent with the purpose of the Fund, and the bequest meets the definition of an endowment fund.

The Not-for-Profit Entities Topic of the *FASB ASC (ASC 958-205 and subsections)* intends to improve the quality of consistency of financial reporting of endowments held by not-for-profit organizations. This Topic provides guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of the Uniform Prudent Management Institutional Funds Act (UPMIFA). New Hampshire has adopted UPMIFA. The Topic also requires additional financial statement disclosures on endowments and related net assets.

The Organization has followed an investment and spending policy to ensure a total return (income plus capital change) necessary to preserve the principal of the fund and at the same time, provide a dependable source of support for life-enhancing activities of eligible individuals. The Organization will only distribute income generated by the Fund, leaving the original corpus intact.

In recognition of the prudence required of fiduciaries, the Organization only invests the Fund in certificates of deposits, which ensures that a majority of the balance of the Fund is covered by the FDIC. The Organization has taken a risk adverse approach to managing the Fund in order to mitigate financial market risk such as interest rate, credit and overall market volatility, which could substantially impact the fair value of the Fund at any given time.

As of June 30, 2023 and 2022, the endowment was entirely composed of net assets with donor restrictions.

**NORTHERN HUMAN SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

Changes in endowment net assets (at fair value) as of June 30, 2023 and June 30, 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Certificates of deposit, beginning of year	\$ 252,417	\$ 252,417
Interest income	253	322
Withdrawals	<u>(253)</u>	<u>(322)</u>
Certificates of deposit end of year	<u>\$ 252,417</u>	<u>\$ 252,417</u>

**16. AMERICAN RESCUE PLAN ACT**

During March 2022, the Organization received funds from the State of New Hampshire Department of Health and Human Services from the American Rescue Plan Act to be used for Recruitment, Retention, and Training Programs (RRTP) for direct support workers (DSWs), direct support professionals (DSPs), and immediate supervisors. These were funds allocated for case management agencies for their employees and to pass funds through to subcontractors. During the year ended June 30, 2023, the Organization received and expended \$1,303,648 under the grant through payroll and subcontractor expenses. A liability of \$1,077,811 related to the program has been recorded in other grants payable on the statement of financial position at June 30, 2023. During the year ended June 30, 2022, the Organization received and expended \$802,680 under the grant through payroll and subcontractor expenses. A liability of \$1,896,698 related to the program has been recorded in other grants payable on the statement of financial position at June 30, 2022.

**17. RECLASSIFICATION**

Certain amounts and accounts from the prior year's financial statements were reclassified to enhance comparability with the current year's financial statements.

**18. SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date, but arose after that date. Management has evaluated subsequent events through March 30, 2024, the date the June 30, 2023 financial statements were available for issuance.

**NORTHERN HUMAN SERVICES, INC.**

**SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES  
TOTALS FOR ALL PROGRAMS**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Mental Health</u>	<u>Developmental Services</u>	<u>Subtotals</u>	<u>General Management</u>	<u>2023 Total</u>	<u>2022 Summarized</u>
<b>REVENUES</b>						
Program service fees:						
Client fees	\$ 344,544	\$ 20,309	\$ 364,853	\$ -	\$ 364,853	\$ 419,535
Residential fees	105,798	281,739	387,537	-	387,537	346,261
Blue Cross	195,236	65,260	260,496	-	260,496	282,899
Medicaid	11,605,528	30,143,643	41,749,171	27	41,749,198	41,912,045
Medicare	583,686	-	583,686	-	583,686	577,682
Other insurance	542,137	60,892	603,029	6	603,035	561,137
Local educational authorities	-	20,421	20,421	-	20,421	43,504
Other program fees	480	-	480	-	480	2,498
Production/service income	157	31,517	31,674	-	31,674	71,325
Public support:						
Local/county government	365,264	-	365,264	68,937	434,201	495,045
Donations/contributions	51,521	4,629	56,150	1,165	57,315	69,645
Other public support	343,090	-	343,090	-	343,090	397,287
Bureau of Developmental Services and Bureau of Behavioral Health	1,773,611	279,551	2,053,162	17,225	2,070,387	1,435,689
Other federal and state funding	355,409	1,068,254	1,423,663	10,712	1,434,375	815,328
Private foundation grants	231,624	-	231,624	3,079	234,703	306,965
Other revenues	<u>141,484</u>	<u>70,618</u>	<u>212,102</u>	<u>271,156</u>	<u>483,258</u>	<u>320,685</u>
<b>Total revenues</b>	<b><u>16,639,569</u></b>	<b><u>32,046,833</u></b>	<b><u>48,686,402</u></b>	<b><u>372,307</u></b>	<b><u>49,058,709</u></b>	<b><u>48,057,530</u></b>
<b>EXPENSES</b>						
Salaries and wages	8,442,713	7,211,701	15,654,414	4,346,131	20,000,545	17,721,919
Employee benefits	1,437,432	1,372,032	2,809,464	907,217	3,716,681	3,835,303
Payroll taxes	616,524	526,796	1,143,320	315,759	1,459,079	1,286,841
Client wages	73,685	21,115	94,800	-	94,800	96,342
Professional fees	196,539	18,546,617	18,743,156	429,093	19,172,249	18,445,948
Staff development and training	22,232	20,897	43,129	20,765	63,894	47,037
Occupancy costs	279,658	290,135	569,793	660,063	1,229,856	1,186,126
Consumable supplies	166,988	147,751	314,739	74,445	389,184	365,375
Equipment expenses	154,234	115,900	270,134	301,585	571,719	380,143
Communications	196,863	135,004	331,867	52,538	384,405	367,471
Travel and transportation	238,701	622,267	860,968	38,163	899,131	679,412
Assistance to individuals	3,020	75,446	78,466	1,058	79,524	106,064
Insurance	92,687	74,193	166,880	45,982	212,862	194,908
Membership dues	40,848	45,339	86,187	14,280	100,467	113,217
Bad debt expense	385,662	40,218	425,880	-	425,880	358,261
Other expenses	<u>14,089</u>	<u>10,228</u>	<u>24,317</u>	<u>469,575</u>	<u>493,892</u>	<u>11,929</u>
<b>Total expenses</b>	<b><u>12,361,875</u></b>	<b><u>29,255,639</u></b>	<b><u>41,617,514</u></b>	<b><u>7,676,654</u></b>	<b><u>49,294,168</u></b>	<b><u>45,196,296</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>						
	<b><u>\$ 4,277,694</u></b>	<b><u>\$ 2,791,194</u></b>	<b><u>\$ 7,068,888</u></b>	<b><u>\$ (7,304,347)</u></b>	<b><u>\$ (235,459)</u></b>	<b><u>\$ 2,861,234</u></b>

**NORTHERN HUMAN SERVICES, INC.**

**SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES  
MENTAL HEALTH**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Non-Specialized Outpatient</u>	<u>State Eligible Audit Outpatient</u>	<u>Outpatient Contracts</u>	<u>Children and Adolescents</u>
<b>REVENUES</b>				
Program service fees:				
Client fees	\$ 55,879	\$ 116,204	\$ -	\$ 34,150
Residential fees	-	-	-	-
Blue Cross	48,005	79,959	-	60,944
Medicaid	142,759	1,393,401	536,618	2,257,199
Medicare	108,182	397,671	-	-
Other insurance	115,021	319,636	-	70,358
Local educational authorities	-	-	-	-
Other program fees	-	-	-	-
Production/service income	157	-	-	-
Public support:				
Local/county government	58,748	-	-	-
Donations/contributions	11,385	-	-	-
Other public support	-	-	10,885	1,417
Bureau of Developmental Services and Bureau of Behavioral Health	-	-	-	-
Other federal and state funding	-	-	-	-
Private foundation grants	1,500	-	-	-
Other revenues	<u>9,858</u>	<u>-</u>	<u>-</u>	<u>1,800</u>
 Total revenues	 <u>551,494</u>	 <u>2,306,871</u>	 <u>547,503</u>	 <u>2,425,868</u>
<b>EXPENSES</b>				
Salaries and wages	234,352	1,071,910	274,895	1,122,185
Employee benefits	33,883	143,490	34,442	197,562
Payroll taxes	17,727	72,479	20,739	80,785
Client wages	-	-	-	-
Professional fees	4,803	16,073	3,507	38,057
Staff development and training	467	4,496	106	4,169
Occupancy costs	3,586	6,672	1,131	6,685
Consumable supplies	12,664	7,118	1,340	9,969
Equipment expenses	5,802	19,191	3,949	18,992
Communications	1,588	23,171	5,461	22,489
Travel and transportation	513	985	5,248	29,306
Assistance to individuals	539	1,260	-	22
Insurance	3,547	13,479	3,443	12,429
Membership dues	2,884	7,980	1,737	5,518
Bad debt expense	147,516	64,286	-	7,381
Other expenses	<u>61</u>	<u>380</u>	<u>93</u>	<u>486</u>
 Total expenses	 <u>469,932</u>	 <u>1,452,970</u>	 <u>356,091</u>	 <u>1,556,035</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	 <u>\$ 81,562</u>	 <u>\$ 853,901</u>	 <u>\$ 191,412</u>	 <u>\$ 869,833</u>

**NORTHERN HUMAN SERVICES, INC.**

**SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES  
MENTAL HEALTH**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Emergency Services</u>	<u>Other Non-BBH</u>	<u>Integrated Health Grant</u>	<u>Bureau of Drug &amp; Alcohol Services</u>
<b>REVENUES</b>				
Program service fees:				
Client fees	\$ 13,860	\$ 291	\$ 20,282	\$ 40
Residential fees			600	
Blue Cross	2,631	987	669	1,456
Medicaid	214,872	436,238	23,627	14,435
Medicare	13,298			8,997
Other insurance	21,057	134	894	2,275
Local educational authorities				
Other program fees				
Production/service income				
Public support:				
Local/county government				
Donations/contributions				
Other public support				
Bureau of Developmental Services and Bureau of Behavioral Health			520,991	
Other federal and state funding				
Private foundation grants		217,876		
Other revenues			55,782	
<b>Total revenues</b>	<u>265,718</u>	<u>655,526</u>	<u>622,845</u>	<u>27,203</u>
<b>EXPENSES</b>				
Salaries and wages	197,336	286,049	440,280	31,600
Employee benefits	34,827	46,413	61,845	11,382
Payroll taxes	14,083	20,226	31,566	2,559
Client wages				
Professional fees	6,555	15,082	16,360	1,173
Staff development and training	376	4,234	430	42
Occupancy costs	1,715	1,680	36	406
Consumable supplies	662	3,197	2,162	412
Equipment expenses	7,100	5,496	1,425	1,324
Communications	14,432	6,181	11,736	546
Travel and transportation	246	7,426	4,678	139
Assistance to individuals		383		
Insurance	5,506	3,462	33	1,494
Membership dues	2,060	1,461	178	373
Bad debt expense	8,170	117	19,285	2,154
Other expenses	4	914	195	1
<b>Total expenses</b>	<u>293,072</u>	<u>402,321</u>	<u>590,209</u>	<u>53,605</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (27,354)</u>	<u>\$ 253,205</u>	<u>\$ 32,636</u>	<u>\$ (26,402)</u>

**NORTHERN HUMAN SERVICES, INC.****SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES  
MENTAL HEALTH****FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Drug Court</u>	<u>Vocational Services</u>	<u>Restorative Partial Hospital</u>	<u>Case Management</u>
<b>REVENUES</b>				
Program service fees:				
Client fees	\$ 1,943	\$ 857	\$ -	\$ 21,206
Residential fees	-	-	-	-
Blue Cross	-	-	-	-
Medicaid	11,307	199,045	370,921	1,492,280
Medicare	133	949	-	-
Other insurance	2,294	92	-	-
Local educational authorities	-	-	-	-
Other program fees	480	-	-	-
Production/service income	-	-	-	-
Public support:				
Local/county government	306,516	-	-	-
Donations/contributions	-	-	-	-
Other public support	-	-	-	-
Bureau of Developmental Services and Bureau of Behavioral Health	-	-	-	-
Other federal and state funding	-	-	-	-
Private foundation grants	-	-	-	-
Other revenues	30,158	-	-	21,668
Total revenues	<u>352,831</u>	<u>200,943</u>	<u>370,921</u>	<u>1,535,154</u>
<b>EXPENSES</b>				
Salaries and wages	253,041	188,738	46,420	956,901
Employee benefits	60,127	25,280	12,414	193,675
Payroll taxes	18,511	16,574	3,406	71,249
Client wages	-	26,830	-	-
Professional fees	9,975	2,926	458	13,346
Staff development and training	366	182	16	769
Occupancy costs	848	2,681	133	4,874
Consumable supplies	4,136	2,130	9,597	2,516
Equipment expenses	3,429	3,073	528	15,573
Communications	3,958	5,316	456	15,553
Travel and transportation	6,753	26,679	53	41,329
Assistance to individuals	-	-	52	138
Insurance	2,034	1,858	531	10,557
Membership dues	934	795	139	4,014
Bad debt expense	1,381	-	-	25,868
Other expenses	842	7	1	2,676
Total expenses	<u>366,335</u>	<u>303,069</u>	<u>74,204</u>	<u>1,359,038</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (13,504)</u>	<u>\$ (102,126)</u>	<u>\$ 296,717</u>	<u>\$ 176,116</u>

**NORTHERN HUMAN SERVICES, INC.**

**SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES  
MENTAL HEALTH**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Supportive Living</u>	<u>Community Residences</u>	<u>Bridge Grant</u>	<u>Victims of Crime Act</u>
<b>REVENUES</b>				
Program service fees:				
Client fees	\$ 7,156	\$ 8,293	\$ -	\$ 20,530
Residential fees	-	53,225	-	-
Blue Cross	-	-	-	585
Medicaid	1,612,862	1,890,787	-	167,450
Medicare	54	-	-	18,433
Other insurance	81	-	-	2,655
Local educational authorities	-	-	-	-
Other program fees	-	-	-	-
Production/service income	-	-	-	-
Public support:				
Local/county government	-	-	-	-
Donations/contributions	-	-	-	-
Other public support	-	-	-	330,788
Bureau of Developmental Services and Bureau of Behavioral Health	-	-	188,950	-
Other federal and state funding	-	-	-	-
Private foundation grants	-	-	-	-
Other revenues	-	-	9,883	-
<b>Total revenues</b>	<b><u>1,620,153</u></b>	<b><u>1,952,305</u></b>	<b><u>198,833</u></b>	<b><u>540,441</u></b>
<b>EXPENSES</b>				
Salaries and wages	586,216	911,095	57,630	378,939
Employee benefits	136,271	204,943	12,827	58,825
Payroll taxes	44,892	66,250	4,156	25,744
Client wages	-	-	-	-
Professional fees	7,485	12,489	1,298	5,152
Staff development and training	243	604	25	780
Occupancy costs	3,148	48,073	128,683	2,259
Consumable supplies	2,868	38,863	1,141	1,989
Equipment expenses	8,571	15,023	922	6,159
Communications	9,346	36,578	2,061	7,031
Travel and transportation	30,268	14,310	5,017	3,864
Assistance to individuals	355	208	-	3
Insurance	6,864	9,884	620	4,672
Membership dues	2,207	3,699	233	1,874
Bad debt expense	15,097	32,651	-	22,252
Other expenses	882	119	300	71
<b>Total expenses</b>	<b><u>854,713</u></b>	<b><u>1,394,789</u></b>	<b><u>214,913</u></b>	<b><u>519,614</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b><u>\$ 765,440</u></b>	<b><u>\$ 557,516</u></b>	<b><u>\$ (16,080)</u></b>	<b><u>\$ 20,827</u></b>

Continued

NORTHERN HUMAN SERVICES, INC.SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES  
MENTAL HEALTHFOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION

	<u>ACT</u> <u>Team</u>	<u>System of</u> <u>Care</u>	<u>Other</u> <u>Mental Health</u> <u>Programs</u>	<u>Total</u> <u>Mental Health</u> <u>Programs</u>	<u>2022</u> <u>Summarized</u>
<b>REVENUES</b>					
Program service fees:					
Client fees	\$ 43,853	\$ -	\$ -	\$ 344,544	\$ 407,764
Residential fees	32,194	-	19,779	105,798	159,391
Blue Cross	-	-	-	195,236	248,349
Medicaid	841,727	-	-	11,605,528	12,077,325
Medicare	35,969	-	-	583,686	577,682
Other insurance	7,640	-	-	542,137	520,285
Local educational authorities	-	-	-	-	3,008
Other program fees	-	-	-	480	2,498
Production/service income	-	-	-	157	61,210
Public support:					
Local/county government	-	-	-	365,264	188,581
Donations/contributions	-	-	40,136	51,521	9,580
Other public support	-	-	-	343,090	222,579
Bureau of Developmental Services and Bureau of Behavioral Health	1,004,928	-	58,742	1,773,611	867,895
Other federal and state funding	-	120,015	235,394	355,409	-
Private foundation grants	-	-	12,248	231,624	163,073
Other revenues	-	7,179	5,156	141,484	50,038
<b>Total revenues</b>	<u>1,966,311</u>	<u>127,194</u>	<u>371,455</u>	<u>16,639,569</u>	<u>15,559,258</u>
<b>EXPENSES</b>					
Salaries and wages	972,438	106,068	326,620	8,442,713	6,941,012
Employee benefits	144,046	5,193	19,987	1,437,432	1,400,012
Payroll taxes	68,843	8,092	28,643	616,524	502,477
Client wages	-	-	46,855	73,685	53,718
Professional fees	22,279	274	19,247	196,539	1,430,397
Staff development and training	2,148	1,872	907	22,232	18,997
Occupancy costs	41,696	70	25,282	279,658	363,146
Consumable supplies	5,024	3,494	57,706	166,988	132,485
Equipment expenses	15,027	319	22,331	154,234	110,389
Communications	24,182	384	6,394	196,863	169,692
Travel and transportation	37,551	2,097	22,239	238,701	170,152
Assistance to individuals	60	-	-	3,020	10,323
Insurance	11,375	-	899	92,687	80,580
Membership dues	4,106	83	573	40,848	39,648
Bad debt expense	39,504	-	-	385,662	248,513
Other expenses	449	-	6,608	14,089	7,080
<b>Total expenses</b>	<u>1,388,728</u>	<u>127,946</u>	<u>584,291</u>	<u>12,361,875</u>	<u>11,678,621</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ 577,583</u>	<u>\$ (752)</u>	<u>\$ (212,836)</u>	<u>\$ 4,277,694</u>	<u>\$ 3,880,637</u>

**NORTHERN HUMAN SERVICES, INC.**

**SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES  
DEVELOPMENTAL SERVICES**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Service Coordination</u>	<u>School District Contracts</u>	<u>Day Programs</u>	<u>Early Supports &amp; Services</u>	<u>Independent Living Services</u>
<b>REVENUES</b>					
Program service fees:					
Client fees	\$ -	\$ -	\$ -	\$ 12,002	\$ -
Residential fees	-	-	-	-	10,080
Blue Cross	-	-	-	65,260	-
Medicaid	968,746	-	3,424,973	912,984	183,136
Medicare	-	-	-	-	-
Other insurance	-	-	-	60,892	-
Local educational authorities	-	12,129	8,292	-	-
Other program fees	-	-	-	-	-
Production/service income	-	-	22,012	-	-
Public support:					
Local/county government	-	-	-	-	-
Donations/contributions	-	-	3,430	-	737
Other public support	-	-	-	-	-
Bureau of Developmental Services and Bureau of Behavioral Health	-	-	-	47,635	-
Other federal and state funding	-	-	-	-	-
Private foundation grants	-	-	-	-	-
Other revenues	<u>48,540</u>	<u>-</u>	<u>1,307</u>	<u>55</u>	<u>-</u>
Total revenues	<u>1,017,286</u>	<u>12,129</u>	<u>3,460,014</u>	<u>1,098,828</u>	<u>193,953</u>
<b>EXPENSES</b>					
Salaries and wages	474,416	6,279	2,273,859	518,098	116,233
Employee benefits	82,494	3,392	497,409	78,335	12,279
Payroll taxes	35,234	713	169,914	38,744	8,968
Client wages	-	609	12,162	-	-
Professional fees	531,456	1,306	543,497	159,541	21,057
Staff development and training	320	29	7,724	320	51
Occupancy costs	14,256	297	69,448	15,965	733
Consumable supplies	2,765	271	17,714	6,781	1,353
Equipment expenses	7,578	669	49,362	9,487	1,510
Communications	11,689	307	41,283	15,696	402
Travel and transportation	8,659	627	353,631	80,767	11,575
Assistance to individuals	12	-	11,152	110	35
Insurance	5,087	555	24,630	5,951	1,331
Membership dues	21,275	107	11,394	1,037	174
Bad debt expense	-	-	6,275	31,481	318
Other expenses	<u>115</u>	<u>8</u>	<u>5,647</u>	<u>485</u>	<u>202</u>
Total expenses	<u>1,195,356</u>	<u>15,169</u>	<u>4,095,101</u>	<u>962,798</u>	<u>176,221</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (178,070)</u>	<u>\$ (3,040)</u>	<u>\$ (635,087)</u>	<u>\$ 136,030</u>	<u>\$ 17,732</u>

Continued

**NORTHERN HUMAN SERVICES, INC.**

**SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES  
DEVELOPMENTAL SERVICES**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Family Residence</u>	<u>Combined Day/ Residential Vendor</u>	<u>Individual Supported Living</u>	<u>Consolidated Services</u>	<u>Combined Day/ Residential Services</u>
<b>REVENUES</b>					
Program service fees:					
Client fees	\$ 8,307	\$ -	\$ -	\$ -	\$ -
Residential fees	203,909	5,532	44,426	-	-
Blue Cross	-	-	-	-	-
Medicaid	6,880,181	1,985,908	403,561	4,218,576	2,340,976
Medicare	-	-	-	-	-
Other insurance	-	-	-	-	-
Local educational authorities	-	-	-	-	-
Other program fees	-	-	-	-	-
Production/service income	9,505	-	-	-	-
Public support:					
Local/county government	-	-	-	-	-
Donations/contributions	462	-	-	-	-
Other public support	-	-	-	-	-
Bureau of Developmental Services and Bureau of Behavioral Health	-	-	-	-	-
Other federal and state funding	-	-	-	-	-
Private foundation grants	-	-	-	-	-
Other revenues	20,716	-	-	-	-
<b>Total revenues</b>	<b>7,123,080</b>	<b>1,991,440</b>	<b>447,987</b>	<b>4,218,576</b>	<b>2,340,976</b>
<b>EXPENSES</b>					
Salaries and wages	2,132,113	-	300,783	879,148	30,609
Employee benefits	369,245	-	89,406	121,901	6,149
Payroll taxes	160,385	-	21,278	53,793	2,196
Client wages	8,344	-	-	-	-
Professional fees	3,182,283	1,702,959	5,746	2,460,447	1,898,907
Staff development and training	7,651	-	269	1,336	14
Occupancy costs	124,104	-	59,542	640	1,472
Consumable supplies	77,618	-	18,581	1,419	10,830
Equipment expenses	31,732	-	7,083	1,858	409
Communications	45,744	-	3,513	5,030	333
Travel and transportation	54,820	-	10,487	84,371	248
Assistance to individuals	2,695	-	-	39,351	90
Insurance	26,179	-	3,038	1,837	314
Membership dues	6,211	-	598	3,757	63
Bad debt expense	2,144	-	-	-	-
Other expenses	1,146	-	217	20	-
<b>Total expenses</b>	<b>6,232,414</b>	<b>1,702,959</b>	<b>520,541</b>	<b>3,654,908</b>	<b>1,951,634</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ 890,666</b>	<b>\$ 288,481</b>	<b>\$ (72,554)</b>	<b>\$ 563,668</b>	<b>\$ 389,342</b>

**NORTHERN HUMAN SERVICES, INC.**

**SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES  
DEVELOPMENTAL SERVICES**

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Acquired Brain Disorder</u>	<u>Other Developmental Services Programs</u>	<u>Total Developmental Services Programs</u>	<u>2022 Summarized</u>
<b>REVENUES</b>				
Program service fees:				
Client fees	\$ -	\$ -	\$ 20,309	\$ 11,771
Residential fees	-	17,792	281,739	186,870
Blue Cross	-	-	65,260	34,550
Medicaid	441,949	8,382,653	30,143,643	29,834,720
Medicare	-	-	-	-
Other insurance	-	-	60,892	40,852
Local educational authorities	-	-	20,421	40,496
Other program fees	-	-	-	-
Production/service income	-	-	31,517	10,115
Public support:				
Local/county government	-	-	-	125
Donations/contributions	-	-	4,629	-
Other public support	-	-	-	-
Bureau of Developmental Services and Bureau of Behavioral Health	-	231,916	279,551	233,007
Other federal and state funding	-	1,068,254	1,068,254	-
Private foundation grants	-	-	-	782
Other revenues	-	-	70,618	53,846
	<u>441,949</u>	<u>9,700,615</u>	<u>32,046,833</u>	<u>30,447,134</u>
<b>Total revenues</b>				
<b>EXPENSES</b>				
Salaries and wages	43,743	436,420	7,211,701	7,527,386
Employee benefits	15,955	95,467	1,372,032	1,746,022
Payroll taxes	3,077	32,494	526,796	571,524
Client wages	-	-	21,115	29,267
Professional fees	284,829	7,754,589	18,546,617	14,395,622
Staff development and training	19	3,164	20,897	16,661
Occupancy costs	764	2,914	290,135	517,697
Consumable supplies	1,021	9,398	147,751	170,398
Equipment expenses	588	5,624	115,900	160,938
Communications	767	10,240	135,004	149,335
Travel and transportation	3,095	13,987	622,267	416,163
Assistance to individuals	-	22,001	75,446	81,137
Insurance	485	4,786	74,193	82,892
Membership dues	62	661	45,339	41,277
Bad debt expense	-	-	40,218	82,355
Other expenses	52	2,336	10,228	2,678
	<u>354,457</u>	<u>8,394,081</u>	<u>29,255,639</u>	<u>25,991,352</u>
<b>Total expenses</b>				
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ 87,492</u>	<u>\$ 1,306,534</u>	<u>\$ 2,791,194</u>	<u>\$ 4,455,782</u>

**NORTHERN HUMAN SERVICES, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>FEDERAL GRANTOR/ PROGRAM TITLE</b>	<b>ASSISTANCE LISTING NUMBER</b>	<b>PASS-THROUGH GRANTOR'S NAME</b>	<b>PASS-THROUGH GRANTOR'S NUMBER</b>	<b>FEDERAL EXPENDITURES</b>
<b><u>U.S. Department of Justice</u></b>				
Crime Victim Assistance	16.575	New Hampshire Department of Justice	2022VOC75	<u>\$ 320,914</u>
Total U.S. Department of Justice				<u>\$ 320,914</u>
<b><u>U.S. Department of Education</u></b>				
Special Education Grants for Infants and Families	84.181A	State of NH Department of Health and Human Services, Division of Long Term Supports and Services	05-95-93-930010-7852	<u>\$ 42,585</u>
Total U.S. Department of Education				<u>\$ 42,585</u>
<b><u>U.S. Department of Health &amp; Human Services</u></b>				
Provider Relief Fund	93.498	Direct Award	N/A	<u>\$ 414,687</u>
<i>Medicaid Cluster</i>				
ARPA Medical Assistance Program	93.778	State of NH Department of Health and Human Services, Division of Medicaid Services	N/A	<u>\$ 235,394</u>
ARPA Medical Assistance Program	93.778	State of NH Department of Health and Human Services, Division of Long Term Supports and Services	N/A	<u>1,068,254</u>
Medical Assistance Program	93.778	State of NH Department of Health and Human Services, Division for Behavioral Health	05-95-92-922010-4121	<u>10,000</u> <u>1,313,648</u>
Total U.S. Department of Health & Human Services				<u>\$ 1,728,335</u>
<b>TOTAL</b>				<u><b>\$ 2,091,834</b></u>

See Notes to Schedule of Expenditures of Federal Awards

**NORTHERN HUMAN SERVICES, INC.**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Northern Human Services, Inc. under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Northern Human Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

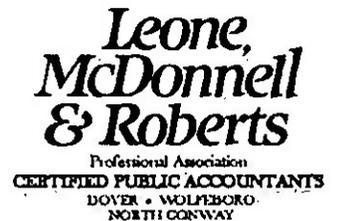
Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

Northern Human Services, Inc. has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4 SUBRECIPIENTS**

Northern Human Services, Inc. had no subrecipients for the year ended June 30, 2023.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Northern Human Services, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Northern Human Services, Inc. (a New Hampshire nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 30, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Northern Human Services, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northern Human Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Northern Human Services, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Northern Human Services, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Northern Human Services, Inc.'s Response to Findings**

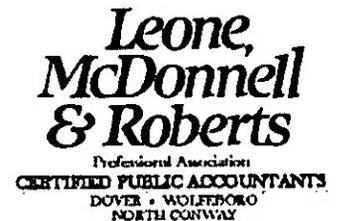
*Government Auditing Standards* requires the auditor to perform limited procedures on Northern Human Services, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Northern Human Services, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Leone, McDonnell & Roberts,  
Professional Association*

March 30, 2024  
North Conway, New Hampshire



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Northern Human Services, Inc.

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Northern Human Services, Inc.'s (a New Hampshire nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Northern Human Services, Inc.'s major federal programs for the year ended June 30, 2023. Northern Human Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Northern Human Services, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Northern Human Services, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Northern Human Services, Inc.'s compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Northern Human Services, Inc.'s federal programs.

**Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Northern Human Services, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment

made by a reasonable user of the report on compliance about Northern Human Services, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Northern Human Services, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Northern Human Services, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Northern Human Services, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Northern Human Services, Inc.'s response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Northern Human Services, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Leone McDonnell's Roberts,  
Professional Association*

March 30, 2024  
North Conway, New Hampshire

**NORTHERN HUMAN SERVICES, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Northern Human Services, Inc. were prepared in accordance with GAAP.
2. One material weakness disclosed during the audit of the financial statements is reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Northern Human Services, Inc. which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for Northern Human Services, Inc. expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The program tested as a major program was: U.S. Department of Health and Human Services, Medical Assistance Program, ALN 93.778 (Medicaid Cluster).
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Northern Human Services, Inc. was determined not to be a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

**MATERIAL WEAKNESS**

**2023-001 - Reconciliation process and month end close**

**Criteria:** Internal controls should be in place to ensure that all accounts are reconciled every month in a timely manner.

**Condition:** Significant entries and additional audit procedures were required as timely reconciliations were not being kept as part of the financial statement close process each month and at year end.

**Cause:** Internal controls were not in place to ensure that monthly reconciliations are prepared in a timely manner each month. In addition, there was substantial turnover in the accounting department during the fiscal year.

**Effect:** Financial statement information utilized by management in making decisions may not be timely or accurate; errors found in preparing reconciliations and during audit procedures that required significant journal entries were not found until several months after year end.

**Recommendation:** Procedures should be implemented to ensure that monthly reconciliations for all accounts are being performed in a timely manner.

### **Views of Responsible Officials:**

The reason reconciliations had not been completed in a timely manner was due to the 9-month absence of a CFO and full-time controller. There were also 2 accounting staff vacancies that supported Mental Health and Developmental Disability side of business. These vacancies caused delays in bank reconciliations, expense verifications, and accounting procedures that support month end closing.

The CFO position was filled in July 2022 and our controller position was filled in September 2022. We have promoted internal staff to fill the two vacant accounting positions and filled all positions for both account receivables (A/R) and account payables (A/P). The CFO and controller have created a monthly closing process that helps support bank reconciliation in a timely manner. The Finance department is working to update all fiscal policies and cross training finance staff to ensure future vacant positions will not cause delay in the reconciliation process that supports month end closing.

Moving forward the bank reconciliation will be completed monthly prior to month end closing. Monthly closing detail is reviewed by the CFO, controller, and A/R manager to ensure accuracy and support follow-up monitoring in areas of concern.

### **FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

#### **2023-002**

**Condition:** The 2022 data collection was filed late.

**Criteria:** The audit is required to be submitted to the Federal Audit Clearinghouse within 30 days of issuance of the report or nine months after year end, whichever is earlier.

**Cause:** The audit was completed after the data collection due date.

**Effect:** The Organization was not in compliance with certain grant requirements.

**Recommendation:** Auditors recommend that the Organization be prepared for the auditors to perform and complete the audit early enough to allow for the data collection to be completed and filed timely.

**Response:** The Organization will attempt to be more prepared to ensure timely filing moving forward.

**NORTHERN HUMAN SERVICES, INC.**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

**MATERIAL WEAKNESS**

**2022-001 - Reconciliation process and month end close**

**Condition:** Significant entries were required as timely reconciliations were not being kept as part of the financial statement close process each month and at year end.

**Recommendation:** Procedures should be implemented to ensure that monthly reconciliations for all accounts are being performed in a timely manner.

**Current Status:** This is a repeat finding; see 2023-001.

**NORTHERN HUMAN SERVICES BOARD OF DIRECTORS**

		<u>Office</u>	<u>Home</u>	<u>Term Ends</u>
<b>Officers:</b>	Madelene Costello, President			10.26
	Dorothy Borchers, Vice President			10.26
	Tom Pitts, Treasurer			10.27
	Georgia Caron, Secretary			10.27

<b>Staff:</b>	Suzanne Gaetjens-Oleson, CEO	447-8137		
	Shawn Bromley, CFO	447-8022		
	Susan Wiggin, CEO Assistant	447-8018		
	Kassie Eafrazi, COO, Mental Health	752-7404		
	Liz Charles, COO, Developmental Services	447-8010		

	<u>The Mental Health Center</u>	Amy Meunier	752-7404	
	3 Twelfth St., Berlin 03570	Director of BH		
<b>Term Expires</b>	<u>Community Services Center</u>	Lynn Johnson	752-1005	
	69 Willard St., Berlin 03570	Director of DS		

'25	Margaret McClellan,			6/01
'26	*Stephen Michaud,			11/02
'26	*Dorothy Borchers,			05/17

	<u>The Mental Health Center</u>	Valeda Cerasale	447-2111	
	25 W. Main St., Conway 03818	Director of BH		
	70 Bay St., Wolfeboro 03894		569-1884	
	<u>New Horizons</u> (also Tamworth)	Shanon Mason	356-6921	
	626 Eastman Rd., Ctr. Conway 03813	Director of DS		

'27	Maddie Costello,			9/06
'27	Julie Bosak,			11/21
'28	Melissa Kanter,			1/25

	<u>The Mental Health Center</u>	Stacey Smith	237-4955	
	55 Colby St., Colebrook 03576	Director of BH		
	69 Brooklyn St., Groveton 03582		636-2555	
	<u>Vershire Center</u>	Lynn Johnson	237-5721	
	24 Depot Street, Colebrook, NH 03576	Director of DS		

'26	Georgia Caron,			5/23
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	<u>White Mountain Mental Health</u>	Amy Finkle	444-8501	
	29 Maple St., Box 599, Littleton 03561	Director of BH		
	<u>Common Ground</u> (also Littleton, Woodsville)	Mark Vincent	837-9547	
	24 Lancaster Rd., Whitefield 03584	Director of DS		

'26	Annette Carbonneau,			11/20
'25	Paul J. Smith,			5/22
'26	Tim Brooks,			11/23
'26	Tom Pitts,			11/23
'28	Debbie Szauter,			1/25

Executive Committee: M. Costello, D. Borchers, Tom Pitts, G. Caron, M. McClellan, S. Michaud, S. Gaetjens-Oleson

Finance Committee: M. Costello, M. McClellan, S. Michaud, T. Pitts, G. Caron, S. Bromley, S. Gaetjens-Oleson

Program Committee: M. Costello, J. Brosak, G. Caron, D. Borchers, L. Charles, K. Eafrazi

Nominating Committee: M. Costello, D. Borchers, G. Caron, T. Brooks

\*Member representing consumer with developmental disability / NOTE: Bylaws state that a minimum of 7 meetings, including the Annual Business Meeting, must be held.

IMPORTANT: Send updated listing to AG's Office / Fax to Provider Integrity (see Rose's 4.8.21 email in Outlook Inbox BOD)

***Suzanne Gaetjens-Oleson, MACP, LCMHC***

***Educational History:***

Bachelor of Arts, Psychology Major, Hampshire College, Amherst, MA, 1993

Master of Counseling Psychology, Antioch New England Graduate School, Keene, NH, 1996

***Employment History:***

***Chief Executive Officer***, Northern Human Services, December 2021-present Assists in the formulation of policy by proposing policy to the boards, interprets and implements policy throughout corporations prepares and presents essential reports to the boards facilitating their effective governance to include: financial, personnel, operational, quality assessment, program evaluation, etc., Maintain an effective and efficient organizational structure, prepares short and long-term plans and presents such to the boards for approval, maintain knowledge of state-of-the-art practices in core services offered by the corporations, represent the interests of the corporations in legislative hearings, state wide and local meetings, maintain compliance with applicable federal, state and local laws, rules and regulations

***Regional Mental Health Administrator, Operations***, Northern Human Services, May 2013-present Direct the regional management, operations and provision of services to individuals with mental illness and substance abuse in accordance with Agency Policy, federal and state laws and regulations. Responsible for overseeing compliance efforts in the Agency, and the members of the Quality Improvement and Compliance Team. Responsible for overseeing the Electronic Medical Record team and leading the agencies efforts to comply with Meaningful Use Requirements. Oversee program development and implementation as directed by the CEO. Work with Area Directors to ensure that all contract requirements are met. Represent NHS on the NCHC board.

***Director, Quality Improvement/Compliance***, Northern Human Services, February 2012-May 2013, Responsibility for Corporate Compliance and Quality Improvement functions such as assisting management with the ongoing review and amendment of administrative and treatment policies; investigating and acting on matters related to compliance, including management of internal reports of concern, leading and coordinating the preparation for reviews of the Agency by external entities, maintaining quality improvement processes that measure outcomes of services delivered, using data from information technology systems to analyze, create and disseminate reports that summarize service utilization and trends; coordinating regional planning processes and developing plan documents for funding sources as required. Coordinate, synthesize and provide summary reports of quality indicators to MC on a regular basis. Provide necessary compliance trainings to staff.

***Director of Children's Services***, June 2000-February 2012 Northern Human Services, White Mountain Mental Health, June 2000 to present. Responsible for the supervision and management of the "children's team", represent Northern Human Services at Children's Director's state team meeting, writing small grants, developing and sustaining positive collaborative relationships with other child serving systems, maintain children's charts to Medicaid and federal standards, maintain clinical caseload.

***Clinician***, White Mountain Mental Health and Developmental Services, May 1996-June 2000. Assessment and ongoing counseling with children and families. Daytime emergency service coverage.

**Emergency Service Clinician**, White Mountain Mental Health and Development Services, April 1995-May 1996. Day and night coverage of emergency services to psychiatric patients including psychosocial assessments and emergency evaluations and interventions.

**Charge Counselor**, Northern New Hampshire Youth Services, and Bethlehem NH. May 1993-November 1994. Conducted psychosocial assessments, emergency evaluations, provided direct counseling services and staff supervision at this group home for emotionally disturbed adolescent females. (This home has changed ownership since I was employed there and is now part of the NFI system.)

***Continuing Education Experiences:***

-Two intensive weeklong seminars with Daniel Hughes, which focused on work with children who have suffered trauma, loss, and disrupted attachment.

-Seminars required for License (total 65 continuing education credits during every two-year license period, including six ethics credits)

-Trauma Focused Cognitive Behavioral Therapy--trained with Dartmouth, received weekly supervision with Craig Donnelly, MD and Sarah Sterns, PhD.

Helping the Non-compliant Child--trained with Dartmouth, received weekly supervision with Sarah Sterns, PhD.

***Goal: To continue working in a capacity that supports people affected by mental illness and developmental disabilities and promotes their ability to be positive contributors and participants in their communities.***

***References Available Upon Request***

Shawn Maria Bromley

**EDUCATION**

2015-January 2017	Master of Business Administration Specialty: Project Management	Van Loan/Endicott College	Beverly, MA
1999 - 2000	Accounting Class (MBA)	Babson College	Wellesley, MA
1983 - 1987	Bachelor of Fine Arts (Graphics)	Boston University	Boston, MA
2010-Current	AHIMA - Certified Coding Associate (CCA) AHIMA - Webinar Presenter (Risk Adjustment & Telehealth)		

**PROFESSIONAL EXPERIENCE**

July 2022 - Present      **Northern Human Services & Shallow River Properties**      Conway, NH  
Chief Financial Officer

- Develops financial well-being of the organization by providing financial projections and accounting services, preparing growth plans, and directing staff.
- Monitors financial performance by measuring and analyzing results, initiating corrective actions, and minimizing the impact of variances.
- Maximizes return on invested funds by identifying investment opportunities and maintaining relationships with the investment community.
- Reports financial status by developing forecasts, reporting results, analyzing variances, and developing improvements.
- Accomplishes finance human resource strategies by determining accountabilities; communicating and enforcing values, policies, and procedures; implementing recruitment, selection, orientation, training, coaching, counseling, disciplinary, and communication programs; planning, monitoring, appraising, and reviewing job contributions; and planning and reviewing compensation strategies.
- Establishes finance operational strategies by evaluating trends; establishing critical measurements; determining production, productivity, quality, and customer-service strategies; designing systems; accumulating resources; resolving problems; and implementing change.
- Develops organization prospects by studying economic trends and revenue opportunities; projecting acquisition and expansion prospects; analyzing organization operations; identifying opportunities for improvement, cost reduction, and systems enhancement; and accumulating capital to fund expansion.

October 2018 - July 2022      **Northeast Physician Hospital Organization (NEPHO)**      Beverly, MA  
Director of Contracting and Operations

- Developed and implemented a Coding Task Force that works directly with providers and practices to increase overall risk score. The Coding Task Force reviews payer related data that is driven by diagnosis coding across the organization. Coding education focus is driven by gaps identified within claims data collection.
- Developed monthly coding and billing webinars that provided information related to current coding and billing on a state and national level.
- Provider risk adjustment diagnosis capture education and Evaluation and Management education and provider focused audits.
- Working with 9 practices to ensure accuracy in Risk Adjustment coding capture on an annual basis.

**Shawn Maria Bromlev**

- Awarded \$33,500 for the HPHC Quality Grant funding for 2019-2020 that supported a Telehealth Pilot Program.
- Managed the Telehealth application process for the Federal Communications Commission (FCC) COVID 19 funding opportunity.
- Lead the implementation of Telehealth across the NEPHO organization during the COVID 19 crisis.
- Developed and lead the NEPHO Telehealth Committee.
- Working with NEPHO practices and providers to ensure a sustainable telehealth program is implemented that is HIPAA compliant.
- Oversee NEPHO organization daily operations that include; financial, staffing needs, meeting scheduling, team building, project management, coding education and auditing, physician practice needs, provider requests on an Ad Hoc basis.
- Research Medicare/Medicaid and Commercial payer guidelines to ensure accurate regulatory guidance to providers.
- Manage a team of 4 direct reports and 10 indirect reports.

**May 2018 – September 2018      Steward Medical Group**  
**Auditor/Educator Professional Services**

**Watertown, MA**

- Educated all new provider hires to ensure an understanding of coding and billing requirements for Evaluation and Management services.
- Audited all new providers for Evaluation and Management services for primary care and specialty focus.
- Helped worked NCCI edits that were based off LCD and NCD requirements.

**May 2017 – May 2018                      Commonwealth Care Alliance**  
**Reimbursement Analyst**

**Boston, MA**

- Chair, Payment Policy Committee – Developed all provider focused payment policies.
- Researched Medicare and Medicaid guidelines to ensure accurate regulatory guidance to help support the development of payment policies that drove reimbursement.
- Work directly with the Committee that consists of Leadership from Business Intelligence, Claims, Provider Relations, Legal, Member Services, Contracting and Clinical. The Committee met on a regular basis to address and discuss business decisions necessary to payment policy development.
- Managed the Medicare and Medicaid regulatory database for the claims department.
- Work directly with the billing vendor to ensure all regulatory notices were being reviewed, discussed requirements and implemented guidance in a timely manner to ensure compliance standards were followed.
- Research included coding and billing requirements related to Outpatient, Inpatient, Home Health, SNF, Hospice and Durable Medical Equipment Services
- Managed and reviewed all Individual Consideration and Unlisted coding denials.
- Worked on the implementation of the NCCI edit project that supported the claims scrubber system.
- Helped developed standardized claims review that helped better manage reimbursement and denial recovery.

Shawn Maria Bromley

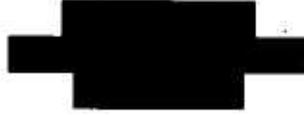
**2014 – April 2017      North Shore Medical Center – Partners Healthcare      Salem, MA**  
**Partners Coding Supervisor (Facility & Professional)**

- EPIC Implementation - Lead the E Care workflow development, provided current and future workflow state that included coding process review for Inpatient, Emergency Room, Ambulatory/Ancillary & Surgical service areas
- Managed 18 coders with the North Shore Medical Center coding department
- Oversaw and managed workflow for offsite coders - 5 NSMC coders & 7 Contract coders
- Managed daily workflow operations across the NSMC Coding Department
- Helped to code and managed workflow for Emergency Room professional and facility coding
- Interpreted and applied Medicare and Private Insurance policy guidelines to help ensure accurate coding
- Managed all department coding edits and denials to ensure accurate revenue capture across all hospital services
- Committee member on the Medical Cosmetic Committee that focused on accurate coding and billing for Cosmetic services to ensure compliance and revenue capture
- Super User in EPIC Training and Education - EPIC Implementation Focus Group
- Assisted with efforts to streamline revenue cycle operations within the North Shore Medical Center
- Helped to optimize the reimbursement process that includes; verify compliance accuracy related to diagnosis and procedure coding, follow CMS guidelines related to documentation requirements and helped to manage timely billing process to ensure timely filing

**2009 – May 2014      Beth Israel Deaconess Medical Center      Boston, MA**  
**Coding and Compliance Manager & Auditor - Cardiology (Professional)**

- Managed 3 coders and 1 billing coordinator
- Managed coding and billing for Boston and 6 Offsite Cardiology locations
- Direct and oversaw ongoing Physician, Fellow and Nurse Practitioner education
- Interpreted and applied Medicare and Beth Israel Deaconess Medical Center billing and compliance guidelines for divisional procedures and operational workflows
- Assisted with efforts to streamline revenue cycle process across the Cardiology department for all locations
- Audited and analyzed medical records documentation for Inpatient, Outpatient, Electrophysiology, Catheterizations, and Cardiovascular testing
- Ensured all coding and billing meet department and Medicare compliance guidelines
- Verified accurate coding for all E&M level coding within the Cardiology Emergency Room Department and Outpatient Clinics
- Provided feedback for all root-cause billing delinquencies to appropriate departments

**ELIZABETH CHARLES**



**WORK EXPERIENCE**

Regional Administrator, Developmental Services, Northern Human Services. Primary responsibility is to direct the regional management and provision of services to individuals with developmental disabilities and acquired brain disorders. Responsible for the direct supervision of the IHS and PDMS Programs, DD Quality Improvement initiatives, supervises the Director, Developmental Services, -New Horizons and Vershire and also the Community Care Waiver Coordinator, QI/Compliance Coordinator and Office Manager at Center Office. Additionally responsible for program planning and development, budgeting and control, accountability, revenue maximization and assurance of quality of care, including the Agency's maintenance of accreditation

Regional Coordinator, Developmental Services, Northern Human Services, Conway, NH, January 2006 – present. Primary responsibility is to coordinate region-wide activities and initiatives within the Developmental Services System. Other responsibilities include regular State reporting of various demographic, medical and financial information, coordination and facilitation of monthly DS Program Directors meetings, maintaining knowledge of State rules and regulations pertaining to Developmental Services and various other projects as necessary. Responsibility also includes supervision of the In Home Support Coordinator, Consumer Directed Services Coordinator and Community Care Waiver Coordinator.

Director of Programs and Services, The Center of Hope, North Conway, NH, September 2004 – January 2006. Supervise, lead and direct a team of Resource Service Coordinators to assure the best quality and most efficient support for the individuals receiving services. This role has overall responsibility for Individual Service Agreements, Residential, Day Supports and Service Coordination. Also responsible for intake eligibility and waitlist management including budgetary work. Participate as a member of the Agency Management Team.

Service Coordination Supervisor, The Center of Hope, North Conway, NH. Perform all the functions of a Service Coordinator as well as supervision of other Service Coordinators and administrative support staff. Agency liaison with the Family Support Council.

Other positions held at Center of Hope include Service Coordinator, Program Manager in the Day Program and Residential Program Manager. Began employment in February, 2005.

*Program Assistant, Student Life Office, University of Southern Maine, Portland, Maine, September 1991-December 1992. Developed and implemented special projects as well as departmental programs.*

EDUCATION

*B.S. Degree University of Southern Maine, Portland, Maine.  
Major – Therapeutic Recreation.*

REFERENCES

*Available upon request*

**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:** Northern Human Services

<b>NAME</b>	<b>JOB TITLE</b>	<b>ANNUAL AMOUNT PAID FROM THIS CONTRACT</b>	<b>ANNUAL SALARY</b>
Suzanne Gaetjens-Oleson	CEO	\$0.00	\$160,000.00
Shawn Bromley	CFO	\$0.00	\$150,412.00
Liz Charles	COO, DS	\$0.00	\$109,587.00
		\$0.00	\$0.00
		\$0.00	\$0.00
		\$0.00	\$0.00